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H.R. 701 AND H.R. 798

FIELD HEARINGS

BEFORE THE

COMMITTEE ON RESOURCES
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

ON

H.R. 701, TO PROVIDE OUTER CONTINENTAL SHELF IMPACT ASSISTANCE TO STATE AND LOCAL GOVERNMENTS, TO AMEND THE LAND AND WATER CONSERVATION FUND ACT OF 1965, THE URBAN PARK AND RECREATION RECOVERY ACT OF 1978, AND THE FEDERAL AID IN WILDLIFE RESTORATION ACT (COMMONLY REFERRED TO AS THE PITTMAN-ROBERTSON ACT) TO ESTABLISH A FUND TO MEET THE OUTDOOR CONSERVATION AND RECREATION NEEDS OF THE AMERICAN PEOPLE, AND FOR OTHER PURPOSES

H.R. 798, TO PROVIDE FOR THE PERMANENT PROTECTION OF THE RESOURCES OF THE UNITED STATES IN THE YEAR 2000 AND BEYOND

MARCH 31, 1999 ANCHORAGE, ALASKA AND MAY 3, 1999, NEW ORLEANS, LOUISIANA

Serial No. 106–18

Printed for the use of the Committee on Resources

Available via the World Wide Web: http://www.access.gpo.gov/congress/house
or
Committee address: http://www.house.gov/resources

U.S. GOVERNMENT PRINTING OFFICE

56–598 CC ⇆ WASHINGTON : 1999

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H.R. 701, TO PROVIDE OUTER CONTINENTAL SHELF IMPACT ASSISTANCE TO STATE AND LOCAL GOVERNMENTS, TO AMEND THE LAND AND WATER CONSERVATION FUND ACT OF 1965, THE URBAN PARK AND RECREATION RECOVERY ACT OF 1978, AND THE FEDERAL AID IN WILDLIFE RESTORATION ACT (COMMONLY REFERRED TO AS THE PITTMAN-ROBERTSON ACT) TO ESTABLISH A FUND TO MEET THE OUTDOOR CONSERVATION AND RECREATION NEEDS OF THE AMERICAN PEOPLE, AND FOR OTHER PURPOSES; AND H.R. 798, TO PROVIDE FOR THE PERMANENT PROTECTION OF THE RESOURCES OF THE UNITED STATES IN THE YEAR 2000 AND BEYOND

WEDNESDAY, MARCH 31, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Anchorage, Alaska

The Committee met, pursuant to call, at 11 a.m. in Z.J. Loussac Library, Assembly Chambers, 3600 Denali Street, Anchorage, Alaska, Hon. Don Young [chairman of the Committee] presiding.

STATEMENT OF HON. DON YOUNG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALASKA

Mr. YOUNG. The hearing will come to order. You notice I'm starting right on time, and I try to make a habit of doing that. And I do appreciate all of you for coming today and taking time from your busy workday for our first Congressional field hearing on these two conservation initiatives. Today we will be receiving testimony from a variety of witnesses covering two bills. This is not the only hearing we will have on this legislation process. We have a hearing on Congressman George Miller's Permanent Protection for Resources 2000 Act, also known as Resources 2000, and my Conservation and Reinvestment Act of 1999, which we call CARA.

This is an official Congressional hearing held by the House Resources Committee. Some of you may not be familiar with our pro-

cedures, so let me take a second to explain. The Committee has invited 12 witnesses, representing all areas contained within these bills, to testify on the two measures, H.R. 701 and H.R. 798. Each witness has prepared a written statement and will summarize that statement. There are lights on the witness table that will turn red when the witness' five minutes expire.

For those interested in participating in this procedure, I will keep the record open for ten days and you may submit written testimony. This written testimony will be part of the official record, and I sincerely hope many choose to submit written comments and suggestions. Your input is very important as both bills move through the committee process.

CARA was first introduced in the 105th Congress, and I along with more than 30 other Members of Congress reintroduced it on February 10, 1999 for consideration by the 106th Congress. CARA is a bipartisan bill with broad geographical support. In a few short months, we have reached 70 Congressional supporters. These members range from the very urban members, such as Charlie Rangel of Manhattan, to very rural members, such as Saxby Chambliss of southern Georgia. The bill is also supported by the Western Governors Association, Southern Governors Association, National Governors Association, National Association of Counties, and the U.S. Conference of Mayors. Most importantly, I have received countless letters of support from Alaskans and Alaskan groups.

The main reason we are finding such broad support for CARA is that this bill redistributes Federal reserves created from oil and gas production on the Outer Continental Shelf. Currently, these revenues go directly to the Federal treasury without any revenue sharing with states impacted by development. This is unusual as onshore Federal oil and gas revenues are shared with the host state. CARA addresses this inequity while providing revenue from offshore activity for valuable conservation programs. Quite frankly, this revenue, which is created by the development of a nonrenewable resource, should provide lasting benefit to the coastal states and provide for conservation efforts in all the states.

The first title of CARA will provide direct revenue sharing in coastal states and territories; 35 in all, including Alaska. CARA gives each state the flexibility to provide the greatest benefit to its residents. In Louisiana, the coastal wetlands are deteriorating at an alarming rate. At the Committee's Washington, DC hearing, we heard from the Secretary of Natural Resources from the state of Louisiana, Jack Caldwell. Secretary Caldwell informed the Committee that Louisiana loses 35 square miles of land every year from erosion. CARA provides funding to address what is becoming a national problem.

In Alaska, CARA funds will be used in meeting the state's water and sewer needs, education funding, and other conservation, infrastructure and public service needs. In total, the state of Alaska is projected to receive approximately $100 million or more dollars each year in direct revenue sharing. With the state's current billion dollar shortfall, CARA will provide a needed shot in the arm, especially in the conservation area.

Title II provides annual and dedicated funding to the Land and Water Conservation Fund. CARA will fund both the state and Fed-

eral components of the Land and Water Conservation Fund and also provide for urban parks and recreation. Many folks think of the LWCF as a Federal land acquisition slush fund, and that is understandable. Each year the LWCF has $900 million available for Federal land acquisition through the Congressional appropriations process. On average, our appropriators provide the administration with $300 million to acquire private land. Last year it was nearly $700 million. These sums typically have little oversight and few strings. CARA changes the nature of this practice by adding sensible restrictions to the Federal Government while limiting the total amount of funds available each year.

The Land and Water Conservation Fund was developed to reinvest nonrenewable oil and gas revenues into conservation and recreation. Congress and the administration have not followed this original intent. CARA reforms the current practice by providing annual funding and placing sensible restrictions on Federal purchases. At the same time, our bill funds the state component of the LWCF. The state of Alaska will have over $15 million available for conservation and recreation projects. These funds are available to meet the state's needs established by the priorities.

This state-based funding has not been available the past five years. Without these funds having been available in the past, we may not have been able to develop projects like Alaskaland in Fairbanks and the coastal trail in Anchorage. My legislation would guarantee that we can count on developing conservation and recreation areas for our enjoyment and for the benefit of the tourism industry in this state. However, these big projects are not good examples for the quiet winners who stand to benefit by CARA being passed into law. Under Title II, CARA will provide soccer fields, state parks for urban areas and projects like basketball courts, hockey rinks, and softball fields. Each of these small projects provides outdoor experiences that can benefit everyone, no matter where they live.

Title III is what we call the wildlife conservation component. These funds will be distributed through the Federal Aid in Wildlife Restoration Fund, known as Pittman-Robertson. Pittman-Robertson has collected and disbursed more than $3 billion for wildlife conservation and recreation projects across America. Made possible entirely through the efforts and taxes paid by sportsmen, the funds are derived from an excise tax on sporting arms, ammunition, and archery equipment sold specifically for bowhunting.

This component will allow states the flexibility to use this new revenue for wildlife conservation through the proven mechanisms of Pittman-Robertson. Alaska is expected to receive nearly $20 million for state-based wildlife conservation each year. CARA is my counterproposal to the Teaming With Wildlife Initiative, which wanted to create a broad tax on sporting goods ranging from sport utility vehicles to hiking boots. This program was one that I could not support, but funding is necessary to provide for wildlife, and CARA accomplishes this goal without creating a new tax.

Each year scores of tourists come north to Alaska. Often they either do not have the opportunity and access to view wildlife. For tourism to remain a strong segment of our economy, we must continue to provide new opportunities to our visitors. CARA provides

needed funding to do that. CARA will provide recreational projects to help ensure that our wildlife remains abundant. This is good for us as Alaskans and good for the tourists we count on.

Congressman Miller's bill, Resource 2000, is well intentioned but contains significant differences from my bill CARA. There is no direct revenue sharing component within his bill. This is absolutely vital for any legislation which ultimately must move through my Committee. While several of the programs have similar goals, they come from a federalist approach and with many Federal strings. I hope to work with Mr. Miller in passing a good state-based bill which includes a strong revenue sharing component. The Federal Government should have been sharing this offshore revenue for decades and should not place the burden of an overwhelming Federal bureaucracy while making a reinvestment in sound conservation and recreational programs.

This is only the beginning of the legislative process—and I want to stress that—for these bills. I plan to have more field hearings, as I mentioned before, from across this nation. I look forward to hearing from the diverse witnesses assembled here today. It is very important that Alaskans have an opportunity to shape this national legislation. With our abundance of resources and public lands, Alaskans should have the opportunity to voice their concerns so that they can be heard here as well as in Washington, DC.

Our legislation is not complete, and this Committee will continue to receive comments and suggestions on these bills. I look forward to the insights of my fellow Alaskans which will be brought forward today. Ultimately, we must answer the question of if we are to make this lasting investment in our coastal communities and for sound national conservation. I frankly think we should be doing that.

And I thank you for bearing with me for reading my opening statement.

[The prepared statement of Mr. Young follows:]

STATEMENT OF HON. DON YOUNG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ALASKA

Thank you for coming today and taking time from your busy workday for our first Congressional field hearing on these two conservation initiatives. Today, we will be receiving testimony from a variety of witnesses covering two bills: Congressman George Miller's Permanent Protection for Resources 2000 Act also known as Resources 2000 and my Conservation and Reinvestment Act of 1999 which we call CARA.

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The main reason we are finding such broad support for CARA is that this bill will redistribute Federal revenue created from oil and gas production on the Outer Continental Shelf (OCS). Currently, these revenues go directly to the Federal treasury without any revenue sharing with states impacted by development. This is unusual as onshore Federal oil and gas revenues are shared with the host state. CARA addresses this inequity while providing revenue from offshore activity for valuable conservation programs. Quite frankly, this revenue which is created by the development of a nonrenewable resource, should provide lasting benefit to the coastal states and provide for conservation efforts.

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This state-based funding has not been available in the past five years. Without these funds having been available in the past, we may not have been able to develop projects like Alaskaland in Fairbanks, or the Coastal Trail here in Anchorage. My legislation would guarantee that we can count on developing conservation and recreation areas for our enjoyment and to the benefit of our tourism. However, these big projects are not good examples for the quiet winners who stand to benefit by CARA being passed into law. Under Title Two, CARA will provide soccer fields, city parks for urban areas and projects like, basketball courts, hockey rinks, and softball fields. Each of these small projects provides outdoor experiences that can benefit everyone, no matter where they live.

Title Three is what we call the wildlife conservation component. These funds will be distributed through the Federal Aid in Wildlife Restoration Fund also known as Pittman-Robertson (P-R). PR has collected and disbursed more than $3 billion for wildlife conservation and recreation projects across America. Made possible entirely through the efforts and taxes paid by sportsmen, the funds are derived from an excise tax on sporting arms, ammunition, and archery equipment sold specifically for bowhunting.

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boots. This program was one that I could not support, but funding is necessary to provide for wildlife, and CARA accomplishes this goal without creating a tax.

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Congressman Miller's bill, "Resources 2000," is well intentioned but contains significant differences from CARA. There is no direct revenue sharing component within his bill. This is absolutely vital to any legislation which ultimately must move through my Committee. And while several of the programs are directed at similar goals, they come from a federalist approach and with many Federal strings. I hope to work with Mr. Miller in passing a good state-based bill which includes a strong revenue sharing component. The Federal Government should have been sharing this OCS revenue for decades and should not place the burden of an overwhelming Federal bureaucracy while making a reinvestment in sound conservation and recreation programs.

This is only the beginning of the legislative process for these bills. I plan to have more field hearings to hear from the public on these historic measures. I look forward to hearing from the diverse witness assembled here today, is it is very important that Alaskans have an opportunity to shape this national legislation. With our abundance of resources and public lands Alaskans should have the opportunity to voice their concerns so that they are heard in Washington, DC.

Our legislation is not complete and this Committee will continue to receive comments and suggestions on these bills. I personally look forward to the insights from my fellow Alaskans that will be brought forward today. Ultimately, we must answer the question of if we are to make this lasting investment in our coastal communities and for sound national conservation? I think we should.

Mr. YOUNG. The first panel we have is Mr. John Shively, Commissioner of the Department of Natural Resources, Anchorage, Alaska; Mr. Wayne Regelin, Director of Division of Wildlife Conservation, Alaska Department of Fish & Game, Juneau; Senator Robin Taylor, Alaska State Senate, Wrangell, Alaska; and Mr. Jerome Selby, Chairman of OCS Policy Committee, Anchorage, Alaska.

For the audience, we will have three panels, and this is the first panel. And I hope you have enough room, gentlemen. With your permission, we will go right down the line with Mr. Shively, Mr. Regelin, Senator Taylor, and Mr. Selby.

STATEMENT OF JOHN SHIVELY, COMMISSIONER OF THE DEPARTMENT OF NATURAL RESOURCES, ANCHORAGE, ALASKA

Mr. SHIVELY. Mr. Chairman, thank you very much. And first of all, welcome home. We got a little fresh snow for you just so you can remember what it looks like.

Mr. YOUNG. Remember to pull the mike a little closer to you, too. Go ahead.

Mr. SHIVELY. I assume my written statement will be submitted for the record, and I'm just going to highlight a couple things. We do appreciate you giving the state an opportunity to testify, and we are going to testify only on H.R. 701 today. I'm going to do Title I and Title II, and Wayne will do Title III.

We strongly support the provisions of this bill. We believe it's important that Outer Continental Shelf oil and gas revenues be shared with state and local governments. Governor Knowles firmly believes that state and local governments subjected to the risks of the impacts of OCS development should share in some of the benefits and particularly the revenue benefits.

As you know, we have already received some money as a result of section 8(g) of the OCS Lands Act. This bill would increase the amount of revenues and allow us to have that revenue outside the six mile limit.

Jerome will probably talk about the OCS policy committee. I didn't realize he was going to be on my panel. I also sit as an alternate on that panel for the governor, and I was there at the meeting where a similar proposal was adopted. It's a very broad based group to support a proposal like this, and I think that your introducing legislation is commendable, and I think that what they have to say is an important message.

Let me talk first a little bit about Title I. This title, of course, provides a remedy to a longstanding problem where we have not shared in major revenues—a number of states that have received impacts from OCS development have not received the kind of revenues that I think they need to address as far as impact. Alaska is a very diverse place with some particularly important social and environmental and economic needs. And I think that one of the things that we like most about this bill is that you provide the flexibility in terms of how the funds are going to come so we can address our particular problems which may be a little different than, let's say, Louisiana or Texas.

We think funds here could be used to plan for OCS development, review any proposed developments on offshore, complete research to important questions relating to development, conduct monitoring once development takes place, improve oil spill response and training and improve much needed community services and infrastructure.

I think that how funds are distributed between the stated communities is an issue that is somewhat complicated, and I think there is a variety of proposals—we don't have a specific proposal on this at this point, but I think the state later on may want to communicate something directly with you. It is important to us that the communities that are impacted receive the bulk of the funds. We need to put the funds where the impact is.

A little bit on Title II. We also support this title, although I think it has been somewhat controversial, as you mentioned in your opening statement. We don't have any major concerns with the provision of this title. The Land and Water Conservation Act funds have been useful in Alaska. We have had over $28 million of them. You mentioned a couple projects in Anchorage and Fairbanks. Forty-four different communities have received funds in the past under the provisions of this fund, places as diverse as Klawock, Nondalton and Old Harbor as well as some of our major cities. So this is an important fund, and we would like to see money go back into it for the state part of this.

We already have a granting procedure that's in place so that we could make use of these funds. And we have just completed our statewide comprehensive outdoor recreation plan which is a requirement to get these funds so we can prepare to use them if they are available.

I recognize some people are concerned with private property rights and what effect it might have. We think you provided some real protection here, first of all, that lands can't be taken by con-

demnation. And of course, we sort of like the fact that you are moving most of the funds east of the 100th meridian, which is real close to where my in-laws live, but the East Coast could use some larger parks, I'm sure. And we think that the Congressional check on major expenditures and on lands that aren't part of existing conservation system units are important checks that should remain in the legislation. We also would like to see some consideration perhaps given to funding for historic preservation projects which some people have proposed. Also, while we traditionally have not been eligible for urban parks funding, we are now big enough to do that, so if there is funding available there, that would also be of assistance to the state.

In conclusion, I would like to say that, once again, on behalf of Governor Knowles, we strongly support this legislation and we commend you for introducing it and trying to work in a bipartisan way to get this legislation passed. We look forward to working with you and providing any information you might need. Thank you very much.

[The prepared statement of Mr. Shively may be found at the end of the hearing.]

Mr. YOUNG. Thank you, Mr. Shively. And you kept it right within the five minutes. I'm not as hard as some members are, but I do appreciate that.

Mr. SHIVELY. I wanted to behave, Mr. Chairman.

Mr. YOUNG. Wayne, you are up next.

STATEMENT OF WAYNE REGELIN, DIRECTOR OF DIVISION OF WILDLIFE CONSERVATION, ALASKA DEPARTMENT OF FISH & GAME, JUNEAU

Mr. REGELIN. Thank you, Mr. Chairman. I really appreciate the opportunity to testify before your Committee today. It's a great pleasure to express our strong support for H.R. 701 and to thank you for your foresight and leadership in introducing this landmark legislation. I commend you for addressing the needs to fund state wildlife management programs and for recognizing the critical need for wildlife education programs. It's really gratifying to see such strong bipartisan support for this bill, and the long list of co-sponsors is really impressive. And I know that it's growing every day.

Many Alaskans have long recognized the need for this bill and have worked to support its introduction. Alaska's coalition of over 400 groups includes numerous sportman's associations, business organizations, and many cities, boroughs and Native groups that supported the concepts in the old Teaming With Wildlife Initiative. And only two or three of these groups dropped their support when the funding sources changed from an excise tax to offshore drilling revenue, and several others have come on board.

I'm going to focus my comments on Title III of your bill because it provides the greatest benefits to wildlife management, but I do recognize that both Titles I and II will also benefit wildlife users.

Title III will provide funds to all 50 states plus our territories, and this funding can be used for management of all wildlife species, for wildlife education and for wildlife related outdoor recreation. In Alaska, this funding is going to provide substantial economic benefits in many ways. Knowledge about wildlife species can

prevent them from becoming listed as threatened or endangered through the Federal Endangered Species Act. Often groups petition the Fish & Wildlife Service to list a species that's not hunted because its population status is not well known. And this bill will provide the funding needed to help prevent this from occurring and avoiding the tremendous economic and social disruptions that an ESA listing causes.

Over one million tourists visit Alaska each summer, and one of their top priorities is to see wildlife. This bill will provide the funding to develop a first class watchable wildlife program to meet the needs of the growing tourism industry. We will build new trails and other types of access that can be used by wildlife watchers in the summer and hunters in the fall. Wildlife viewing can be done in ways that are compatible with hunting through time and space planning and zoning.

Additionally, millions of dollars can be generated if tourists add only a single day to their Alaska vacation. And we will develop a watchable wildlife program second to none that would attract more tourists and keep them in Alaska longer. One of the things that's most important to me is it's vital to the long-term continuation of hunting, trapping and effective wildlife management that will do more to educate the public about wildlife management. This bill will provide the funds for the states to develop educational programs that have a balanced message about the benefits of wildlife management and sustainable development of all of our natural resources. In Alaska we have plans to work with local school districts to provide such plans to students.

I'm going to take just a couple minutes to talk about—address the H.R. 798 that was introduced by Congressman Miller. This bill contains some of the same elements in H.R. 701, and I'm pleased that he recognizes the need for more funding for wildlife management. However, H.R. 789 omits several elements that concern me and the other leaders of wildlife agencies throughout the United States.

H.R. 798 would require a new mechanism to administer the program and would provide far less funding for wildlife management. I see no need to create another bureaucracy to distribute funds to states when the existing Federal Aid in Wildlife Restoration program can easily accomplish this job at little additional cost. In its current form, H.R. 798 would not provide any funding for wildlife education or for wildlife related recreational programs, and I think funding for both of these is very essential.

In conclusion, I want to reiterate the state of Alaska's strong support for H.R. 701. And I'd also like to express my sincere appreciation to you as chairman and to your staff for your willingness to listen to all points of view during the formative stages of this legislation and for their tireless efforts to reach consensus with an incredibly wide array of interests. Thank you.

[The prepared statement of Mr. Regelin may be found at the end of the hearing.]

Mr. YOUNG. Thank you, Wayne. Senator Taylor, before you go, can anybody hear the witnesses in the back of the room? You can hear them all right? Because I'm having a little problem hearing you up here. Maybe it's my seniorship. Senator, you are up.

STATEMENT OF SENATOR ROBIN TAYLOR, ALASKA STATE SENATE, WRANGELL, ALASKA

Mr. TAYLOR. Good morning, Mr. Chairman. For the record, I'm Senator Robin Taylor, Alaska State Legislature, and I, too, want to thank you for coming home and having a chance to talk with us about this. I have prepared remarks and I have also submitted for the record testimony, or remarks, I should say, that represent the majority of the members of the Alaska State Senate. And I'm speaking on my own behalf today and submitting their testimony on their behalf.

First I'm going to try to abbreviate some of these comments because those that were prepared were a bit longer. The framers of our Constitution created three distinct branches, both on the Federal level and all 50 states. And I'm doing this for the purpose of recommending amendments to you to this legislation.

First, each of the bills, both two in the House and two in the Senate, to date provide for a direct off budget appropriation that is perpetual, and the appropriation goes directly to a politically appointed Secretary of the Interior, and through that office directly to the governor of each state. Our Alaska Constitution, just like yours, provides that our governor does not have the power to appropriate one thin dime, nor does Bill Clinton. Some of us consider that a blessing. Yet in all four of these bills, our governor would have the total authority to approve all planned expenditures, to write his own unilateral plan which would need only the approval of the Secretary of the Interior.

These bills could generate up to a maximum of well over $100 million for expenditure by Alaska's governor with, other than the matching grant aspects, no control by the legislature. And so we recommend strongly to you that the word governor in each of the bills be replaced with the word the state legislature. It's how we appropriate money up here. I can understand why the governors associations, both national and southern and western, would support this legislation because they get to spend hundreds of millions of dollars and they don't have to worry about those pesky legislators. So I would recommend that amendment strongly.

We are concerned, too, about the prioritization that occurs within this legislation by going off budget with it. I understand that the access to these funds is important, that people are anxious to have them, but isn't national defense an essential priority of our government? And if national defense is an essential priority, why is it national defense has to have an annual appropriation and be reviewed by the Congress, but these expenditures of what could be well over $1 billion will not be reviewed by Congress but this one time? We would ask that you think about that prioritization.

Some of us in Alaska can recall very clearly we are a state that was invaded and occupied. We now have the situation going on in Kosovo. We are very concerned about that shifting in prioritization for the purposes of these bills.

Wildlife is a concept that we all support. We all are concerned about good conservation, but after talking with Mr. Henry of your staff yesterday, it became apparent to me that, though the term wildlife is often used when we talk about this legislation, the public is not aware that this definition will now extend wildlife manage-

ment and fund wildlife management down to. It will fund the wildlife management of alleged green tree frogs south of Petersburg, Alaska. It will provide funding for wildlife management for a subspecies of housefly that today prevents the building of a $16 million medical clinic just outside of Sacramento. I drove by it a few months ago. That is not anything that any Alaskan has ever asked me to appropriate monies for.

And to bring us back to just the impact on Alaska, because that's my purpose here, I've provided today a map to the membership, and also we have a map here. It's very difficult to see from where you are seated, but there is a very thin, pie-shaped piece of Alaska. That's the total private ownership of land in this state. It represents less than one-third of 1 percent of the total land mass. Now, of course, that little pie includes all the residential homes in Anchorage, property we are sitting in today which is owned by the municipality. But if you look at every single home in Anchorage, Fairbanks, Juneau, Ketchikan, Petersburg, Wrangell, they are all right there. So let's take them out because this legislation isn't targeted to them. And let's talk about what small portion of that less than one million acres in Alaska is remote parcels. I actually happen to be an inholder. I have 78 acres of fee simple property that's an old homestead I acquired on the Stikine River. I'm dead center in the middle of the Stikine LeConte Wilderness Area.

Congressman, if only 50 percent of the funds appropriated under this legislation is used for the acquisition of property, my property would go to the value of $936,000. Since that's the purchase of a willing seller of less than one million under your bill, Congress would never hear about it. I guarantee you that those of us that own remote parcels, as I do, those of us who are inholders are very concerned about this legislation, and we pray that you would put additional restrictions on it.

The mere removal of condemnation does not give us much comfort because that only takes condemnation out of this bill. It doesn't prevent them from condemning and taking our property in another. And willing seller, I submit to you that every Member of Congress, every home they own, every ranch they own, every condominium is available for sale if the price is right. Unfortunately, the price might get right on my property, and my grandkids will never have a chance to play on it if the government truly wants to buy it and run me off of it.

It's with those concerns I came today. I'm sorry I'm going a couple moments over, but I have submitted the bill—the map to the Committee, and in addition to that, the amendments that have been suggested. But my primary concern is that the impacts on our state where we have such a very, very small portion of private land ownership could be distorted as opposed to the impact of this legislation on other states.

Congressman, thank you very much.

[The prepared statement of Mr. Taylor may be found at the end of the hearing.]

Mr. YOUNG. Thank you, Senator. Mr. Selby.

STATEMENT OF JEROME SELBY, CHAIRMAN, OCS POLICY COMMITTEE, ANCHORAGE, ALASKA

Mr. SELBY. Thank you, Mr. Chairman. I'm here today representing the Outer Continental Shelf Policy Committee. I also serve as a chair of the working group that prepared the report that came to you folks. And needless to say, we are delighted with the amount of material that you folks found to have been well thought out and included in the bills from the policy committee.

As Mr. Shively pointed out, the committee is a broad ranged group. It represents all of the states on the coastal part of the United States as well as the environmental interests on the one extreme, of course, and oil companies and other inholders, land holders on the other, and a lot of folks in the middle; we've got fishing interests, local governments, and those folks represented. And so it does represent a broad section of the United States in terms of the thinking and the input into what was recommended to you.

Just a couple of points on Title I. The committee discussed and was very careful to try to craft something that made sense in terms of where impacts are occurring and who have impacts in terms of the recommendations. And that's why one-half is based on the impact or the cost of actual activity in the oil and gas operations, 25 percent based on shoreline and 25 percent based on population. And because those are three different groups in discussing this, the committee got the input from the various states, and that seemed to provide a base for virtually all of our coastal states and our coastal communities and counties to be able to deal with—If nothing else, there is a fiduciary responsibility there to be stewards of that shoreline and that Outer Continental Shelf. Whether there is development or not, there is impact. And so what we were trying to do is find a way for folks to manage to be proactive about looking at that portion of the Outer Continental Shelf that's adjacent to their political jurisdiction.

Secondly, the split between the state and local funds was very important to us. Our recommendation was a direct payment to the local governments, and we strongly support that from the committee. We think that has worked well with the PILT program, and therefore we would recommend the same approach on this, and you have adopted that. We would suggest and request that you take another look at the distribution to the local governments. And here we would suggest you take a look maybe at the Senate language in Senate Bill 25. Right now the way that this is crafted, it distributes only to folks with direct impact.

Having been mayor of a borough that probably wouldn't be getting any direct impact monies, we still were responding to the five year leasing schedules to proposed lease sales offshore of Kodiak Island. So there was a fair amount of expense to the Kodiak Island Borough, even though we wouldn't be receiving those monies under the way that it is proposed to be distributed under the House Bill.

So we would ask that you take a look because the committee had crafted that very carefully with that very idea in mind that coastal communities who do need to be responding to things that are happening to them need a funding source to help pay for that so they can do the job of managing that. So that was why that rec-

ommendation was there. Again, there are checks and balances that are placed in that, and those are, I think, in there for good cause.

Under Title II, the conservation recreation, the Land and Water Conservation Fund, the discussion from the states and the folks of the committee, we were concerned about the fact that there seemed to be very little oversight of Land and Water Conservation Fund, and you summed that up very well, Mr. Chairman, in your opening comments. For that reason we asked for a lot of input from local government and state governments in discussion that a public process about selecting what parcels are going to be acquired and how that's going to happen and really taking a look at that. And you have incorporated that, I think, in a very positive way.

Again, the two-thirds east of the Mississippi or east of the 100th parallel is excellent. Removing condemnation—these are all things that we felt made this a public process and put some emphasis perhaps on where—what is identified by some of the states; whereas the problem really lies primarily on the eastern half of the country more so than here in the west, as you well know, where there is a lot of Federal ownership already.

But there are still some land issues that a lot of us are familiar with— even here in Alaska there are a lot of little land issues. That's why I think we were focused more on resolving a lot of the little boundary things that are a few acres here and there that square up boundaries, that remove conflicts on boundaries of existing ownership. And that's what we were thinking more of rather than large acquisitions because realistically we're only talking $20 million a state. So that's not going to be very many large acquisitions obviously with that kind of money.

So again, with the million dollar threshold, Congressional oversight and a lot more public oversight, the not more than 25 percent of a county can go into reserves, trying to make sure that there wasn't negative impact. And that's a lot from the western states that that particular input came. We felt it was a coordinative approach.

We didn't have the wildlife piece on our recommendation, but we think that's a brilliant addition to the bill because it takes it from the land management part to the actual management on an ongoing basis in operations and the impact on the wildlife. Again, a lot of public input into that section and a lot of public drive about how those funds and trying to keep hunting and fishing open. And that would be our recommendation.

State parks, represented tourism, development opportunity, state parks need a lot of money right now for development, cabins for trails, for those sorts of things. And they just don't have that funding available to them. This provides a way that we can do that. From our perspective, Mr. Chairman, we felt that that meant that we would use the public lands that we have to better use by the public as opposed to right now a lot of the public can't get access. If these funds can be used to actually use the public lands we have, we felt that took a lot of pressure off the demand to buy yet more public property because if we go out and really develop and use to the maximum benefit public lands that are already owned by Federal and state governments and really do a nice job with that, then we could have a place where the public can go out and recreate and

really enjoy the outdoors without having to buy more and more and more land for the future. So it was kind of intended to be a stopgap and put to good use.

I've overrun, Mr. Chairman. I apologize for that. Our view is this is an outstanding bill because it shares the revenues back to states and local governments. I think it puts the Land and Water Conservation Fund in a very public process, and funds fish and game enhancement projects. And those are all very positive things for the American public.

Mr. YOUNG. Thank you. I want to thank the panel. I appreciate the testimony. Wayne, some groups are suggesting that the dollars in Title III should be dedicated only to the management of the species that are not hunted, nongame. What is your answer to that?

Mr. REGELIN. Mr. Chairman, I feel that the needs of state and wildlife agencies—their needs are in the area of nongame species, the species that are not hunted. We don't have a real problem with state agencies with funding for species that we—that are hunted because the hunters pay their way through license fees and excise tax, but I think that we do need more funding for the—most of the—most of the state agencies will use their money to collect information on species that aren't hunted, but I like the way your bill leaves us the flexibility so each state director can dedicate the money to what he feels in that state are the highest priorities. So I think that it would at this time probably be counterproductive to dedicate it just to nongame.

We don't want to get into this argument about whether it's benefiting species that are hunted or species that aren't hunted and try to argue about how the money from each subaccount should be spent.

Mr. YOUNG. The bill as written is pretty flexible.

Mr. REGELIN. It's very flexible, and I think that's very good for us.

Mr. YOUNG. One of the things that concerns me the most is because we have been dealing with endangered species, and if my interpretation of my bill is correct, it would allow the states to manage other species other than the hunting game to keep them from being endangered, thus really keeping access to public lands. One of our biggest problems we have is in the Endangered Species Act because of the petition process. And once the Federal Fish & Game or other agency identifies a species that's threatened, the state is pretty much isolated from improving the species habitat. And that's really what I'm trying to get at is we want to make sure that the state has the ability to avoid listing of a species through activity.

Mr. REGELIN. I'm sure that will happen. Each state will have money to look at species that are of concern that we don't have any data on. As soon as we start looking and have the money to have a program to evaluate and look at the distribution and the status of that species, most often you don't need to list it. But right now we don't have the funding to put those programs in place.

Mr. YOUNG. Mr. Shively, first I want to thank you for supporting the legislation, the administration, and thank Governor Knowles. Do you want to expand on some of the projects you think that

would benefit from these funds in the state? Do you have any concept what you would be spending the money on?

Mr. SHIVELY. I think, Mr. Chairman, there are several things. First of all, in the initial stages of OCS development, clearly planning and community development, community input, often the smaller communities—take Kaktovik, for instance—feel they are really under the gun and they have to respond to major development projects, so getting them some money so they can sort of deal with some of their concerns up front, they feel they need to hire independent expertise to get that.

Once developments take place, monitoring systems particularly in this state for subsistence in rural areas is important, and I think both the state, our own leases and the Federal Government, which is primarily offshore—the Federal Government hasn't done much onshore leasing—We hope to change that with NPRA, but we think that subsistence—groups that can look at subsistence have been a very good model effect of how local people are overseeing the subsistence impacts. It gives them more confidence in the development.

Then if you look at other community impacts as people come into small communities like Kaktovik, improving even the school or other community infrastructure, airports, things like that also are projects that we think could be funded.

Mr. YOUNG. You heard Senator Taylor mention the fact that he would like to have the legislature approval of expenditure of dollars. I take it the administration would not support that?

Mr. SHIVELY. I'm not sure I would categorically say we wouldn't support it. I think in this state, to be perfectly frank, as we look at—as the state has become more urban, I think there's become less of a recognition by the legislature about what's going on in rural Alaska. So I am somewhat concerned, since I think most of the impact of OCS development is in rural areas, whether the legislature wouldn't find that most of the impact was in the Mat Valley and Anchorage and not where it really was. I'm not saying the legislature shouldn't necessarily have a role, but if you give them a role, I think it's perhaps more important that you set pretty stringent guidelines on what communities are impacted and how they get their funds.

Mr. YOUNG. I listened to Mr. Selby, and he was talking about money going directly to the communities. There may be a method here that we can work together because I know—not just in the state of Alaska—there is a great deal of mistrust between the administration and the legislative branch, and I agree with the senator that the appropriation process on the state level at least—by the way, Senator, why we are not appropriating the money is because the monies were originally developed from an offshore development for the investment in conservation, and it hasn't done so. It's been going into the general treasury and been spent on all kinds of silly programs outside of what it was intended for. That's the reason I don't trust our appropriators in the Congress.

It's just the same thing Mr. Shively said; the appropriators in Congress are all from big cities and they don't have the slightest idea about habitat or reestablishment of game or the education of individuals involved in it, so that's the reason it was put in it.

I think we can work out a formative system that would maybe make it more equitable. The main thing is to get it into the communities without much red tape. That's really what we would like to try to do.

Mr. Selby, you were a former mayor. I think you answered in your testimony, but you—what do you see would be the benefits with this increased funding as far as state-based conservation and recreational purposes in the city of Kodiak?

Mr. SELBY. Well, yes, Mr. Chairman. I tried to address that a little bit, but basically it's an opportunity to go out and build the enhancements, build the trails and cabins in the state parks. Shuyak is a good example where we did—The trustee council acquired the entire island that represents an economic growth opportunity for the Kodiak community, and that is happening as we speak. We are developing a multi-million dollar tourism industry based in Kodiak that that park is the focus of those folks. The fact that it's going to be there now means they can go out and get loans and buy boats, buy kayaks, get a base under developing that and turning it into something that's really used by the public.

So it does represent an opportunity for outlying communities in particular where things can be enhanced and really used to the maximum for the local community.

Mr. YOUNG. You heard Senator Taylor made a point about the amount of control the governor has. What did your committee discuss about the distribution of funds? If I interpret it correctly, the governor didn't have that much control in your recommendation.

Mr. SELBY. There's two pieces, Mr. Chairman. One is a piece to the locals. Our feeling is that that goes directly to the locals and the locals have their own hearing process, and they'll do their own planning process as far as how they use the local monies. Similarly, then, for the state there is a state plan that has to be developed; the intent being it's not just the governor saying I like this, this, this, and don't have to listen to anybody, but quite to the opposite is there should be a very public process involved in developing that state plan and talking about which parcels are going to be impacted and how those state monies would be used.

I guess we were assuming that the legislature would have to be involved in that portion of the appropriation of the state monies based on that plan, and so we didn't really see it necessarily as the governor gets this personal slush fund to go out and do things because that's counter to what we were trying to do with the whole recommendation on all of those monies, which was to make it much more of a public process, and have a lot of public input into the planning and a lot of discussion about what's going to be done and how those funds could be used.

Mr. YOUNG. My staff just asked me a question about the constitutionality of decreasing the control of the governor to put it into the local communities. I don't know why that would be a problem as long as we define it in the legislation.

Mr. SHIVELY. Mr. Chairman, there is sort of an existing model now with the NPRA funds where the Congress agreed to share NPRA funds with the state of Alaska, and they said the first shot for those funds goes to the local community, and they come up with impact projects and those get funded. And anything that's remain-

ing, they spend it. That goes into the state treasury and that would, in turn, be appropriated by the legislature. So you might want to look a little at that model.

Mr. SELBY. There are two other models. That's the old Federal revenue sharing process as well as the PILT program, which is an ongoing program that's directly funded to the municipalities. And those are both revenue sharing sorts of things, just like this one, and that's the model that was used. And just as a point, it's not outside of the governor because, as you have written into the bill, the governor—there has to be a plan developed by the local government and reviewed by the governor before any money gets spent. So again, we try to put checks and balances into all of these things to assure there is a very public process involved in making determination about how these monies are going to be spent. So we intentionally tried to make sure that no little group could get off and plan and scheme and spend the money before anybody else knew what was going on.

Mr. YOUNG. Senator, I do thank you for offering your suggestion. The biggest problem I've had with this bill is those that are concerning private property. And we have tried to write the bill as well as we could concerning private property because I happen to agree, the state of Alaska is in a serious condition. There is no private property other than Native owned land. I would like to see the state relinquish some of its property to the citizens of this great state because it's not a healthy situation. But I'm willing to listen to anything that you put forward, regardless of what my good friend says on e-mail.

I've always been a private property advocate because I believe it's the strength of our society, but we have now a problem under the present system with condemnation and with the appropriation process. We spent $700 million last year through the appropriations process that really nobody supported but the President of the United States. And this is an attempt to at least get it into the legislative branch, into the governors' branch and into the Pittman-Robertson fund, which the governor doesn't have anything to say about. At least to make it more fair and equitable because the present system is being misused, and that was the intent of my bill to try to make it more equitable for the private property rights. I know people don't believe that, but that's really the way the bill has been written.

Mr. TAYLOR. Thank you for letting me comment on that. I agree with you 100 percent on that and I think others would, too, that there has been a significant appropriation of Federal funds for the acquisition to the government's estate of private property. And it's not my philosophy, and I know it isn't yours. I do agree with you, there are many salient portions of the legislation. I didn't comment on those. I wanted to bring to you concerns that I felt you would want to address. It's for that reason I was here today.

I did want to also indicate to you that under Title III, the definition of wildlife, as Mr. Regelin has commented, does allow them to go in and to do some of the proactive things that you and I would support. Unfortunately, we all have to remember that's a two-edged sword. Depending upon the attitude within the department, they can also utilize those same funds to go in and create surrogate

species for their friends within the environmental community to then shut down corridors of access for utilities, to shut down highway projects—and we have seen a great deal of that activity with this department.

That's why my only recommendation was that you provide for significant legislative oversight of any funds going to the department that are allegedly going to be used for conservation purposes. Conservation purposes right now—and I only mention this because Mr. Henry asked me to—I wish you could just review with me the "experiment" done on wolves on the Kenai last year where we used helicopters to capture over 30 of them up on the 40 Mile, flew them down to the Kenai for purposes of finding out whether or not the new wolves introduced would acquire lice as fast as the lice infected wolves that live there. These wolves were brought into an area where we have a very small caribou population struggling to survive. Is that good conservation? Is that what you and I would mean by it? I don't think so.

So you see, I have concerns about how the allocation of many of those funds have gone on, and the idea of just giving them additional Federal funds for additional projects like that without some review I think would be—would be inappropriate. That's why I wanted to bring that to your attention and say we would like to have legislative oversight.

Mr. YOUNG. Wayne, I know you are chomping to respond.

Mr. REGELIN. All I would say, Mr. Chairman, is that every dollar of Federal aid money that the state has gotten since it's been a state is appropriated by the legislature. And this money that would come to wildlife would be part of the Federal Aid in Wildlife Restoration Act. And that money comes to the state, and we cannot spend it unless it's appropriated by the legislature. And that would not change. And I have no comment on the situation on the Kenai, but we didn't move them down there for that reason. We moved them to save a caribou herd in another place. That's just where we happened to put them.

Mr. YOUNG. Would you have the same problem with—the Pittman-Robertson fund, that's not appropriated money, is it?

Mr. REGELIN. Mr. Chairman, that money comes to the state of Alaska as a block grant, and the legislature appropriates it, yes.

Mr. YOUNG. They do appropriate it, but it has to be appropriated for fish and wildlife conservation.

Mr. REGELIN. It's restricted and can only be spent on fish and wildlife. The current Federal Aid Act allows us to spend it on species that aren't hunted. We haven't done that in Alaska, but we have—the law allows that.

Mr. YOUNG. Well, again, my interest isn't in—I'm a big supporter in species that are hunted, but I also recognize that you can't separate the other species off of those because the problem we have now under the Endangered Species Act, the Fish & Wildlife, if they identify a species, then the state is precluded from trying to rehabilitate that species from being threatened or endangered. And under my understanding, the way I tried to write this bill is that you would have the money available to offset that and take it out of Fish & Wildlife's hands and save the species and keep it from

being listed endangered or threatened, so it does impede other activities.

And I can very frankly see it down the road with all this problem we have of interest down the road that there is a possibility that someone will file a petition on a species within an area that's used for recreational purposes for fishing and hunting, and if the Fish & Wildlife take it up they can preclude Alaskans from doing anything, including subsistence or sport hunting or sport fishing or snowmobiling or anything else because it might disturb that species.

What I want to do is give the state more latitude to avoid that so you have some science behind you and ability to understand that really what they are saying is nonsense. And come back—a lot of times it's misuse of the Endangered Species Act.

This bill is broader than one might think. It's a chance to make the states more actively involved. Any other comments before I excuse the panel?

Mr. TAYLOR. Let me say this in passing: We do support that on your last thought. It's just, as you and I both know, in drafting legislation you can't control how that will be applied, nor can I control on a day-to-day basis how the funds even I appropriate apply through the legislature. So the stated purpose, if that can be an additional amendment within the legislation giving guidance and direction to both departments and legislatures would be beneficial, Congressman, and we appreciate that.

Mr. SELBY. Just one point, Mr. Chairman, and that's I did want to comment on H.R. 798 since that is actually part of the hearing process as well. Just from the committee's perspective, I think it's fairly obvious the comments I made that we would have some real concerns with H.R. 798 because it's kind of opposite of what we were trying to accomplish with our recommendations, and that's that you make this much more of a local and state government open public process as opposed to the very Federal process that's proposed in H.R. 798 or really the agencies—Federal agencies are totally in control, don't have to answer to anybody, and counter to public process, from our perspective. And I realize you are going to have to deal with that politically, and we'll leave that in your very capable hands. But that's our concern with the other approach.

Mr. YOUNG. I want to thank the panel and thank you for your testimony in answering the questions. We are going to take a five minute break and start at 12 p.m. Anybody that eats lunch around here, you are in bad shape because I don't eat lunch.

[Recess.]

Mr. YOUNG. We have our second panel. Mr. Chip Dennerlein cannot make it, will not be on the panel. We have Carl Rosier, Board Member, Alaska Outdoor Council, Juneau, Alaska; Mr. Nelson Angapak, Alaska Federation of Natives, Anchorage, Alaska; Mr. Steve Borrel, Alaska Miners Association, Anchorage, Alaska. If each one of you will take the position, all three of you, I'd deeply appreciate it. Gentlemen, we will go through the way I gave. Mr. Rosier, you will be the first one up.

STATEMENT OF CARL ROSIER, BOARD MEMBER, ALASKA OUTDOOR COUNCIL, JUNEAU, ALASKA

Mr. ROSIER. Thank you, Mr. Chairman. Good morning, Mr. Chairman, members of the House Committee on Resources. My name is Carl Rosier, and I'm here today testifying on behalf of Alaska's fish and wildlife resources, as a retired commissioner of the Alaska Department of Fish & Game that's been involved in management and development of those resources since 1955. In retirement I'm also a board member of the Alaska Outdoor Council. The AOC is an umbrella organization representing a diverse group of sport and recreational folks. We number 47 around the state, with an annual membership of approximately 12,000 individuals.

Before beginning, I'd like to express my appreciation to you, Chairman Young, and the Committee for holding its field hearing in Alaska and inviting me to testify.

I've carefully reviewed both H.R. 701 and H.R. 798, and I strongly prefer the approach in H.R. 701. It appears to me that endangered species are dealt with after listing in H.R. 798, rather than encouraging action before listing occurs. It also seems that the absence of an impacted assistance program within H.R. 798 conflicts somewhat with the basic concept of sharing OCS funding. Further, H.R. 701 appears to give considerably more flexibility to the states and their political subdivisions to design needed programs and identify priorities. H.R. 798 appears to be a top down Federal approach to substantially more Federal agency involvement.

For the above reasons, my comments are being confined to H.R. 701 and, due to my wildlife background, largely Title III. H.R. 701 is landmark legislation. It promotes a wildlife legacy for all citizens for many years to come. Sponsors of this bill can truly be proud of their efforts. This bill provides for stabilizing funding for wildlife, fish, land and water conservation programs. H.R. 701 builds on the long-term financial support states have received for many years from hunters and fishermen.

The bill utilizes the successful distribution system of the existing Federal Aid in Wildlife Restoration program to minimize costs. It enables states to take preventative measures early on to address needs and habitat requirements of declining fish and wildlife species that may be listed under endangered species.

H.R. 701 provides funding for addressing the needs and habitat requirements of the so-called nongame species. Little funding is directed to these species today. It provides funding for increasing public education about fish and wildlife through outreach programs that sponsor responsible resource stewardship.

Finally, the bill provides funding to the states cited in the Land and Water Conservation Fund program, ensuring improved public access to areas used by hunters, anglers, and other outdoor interests. There are other positives about H.R. 701, but those listed above are my primary reasons for strongly supporting this bill.

Alaskans have a strong commitment to sustainable use of the state's fish and wildlife resources. Over 75 percent of Alaska voters in a 1994 statewide poll indicated a preference for eating wild game. A 1996 study by the U.S. Fish & Wildlife Service indicated that Alaskans spent $1.7 billion in 1996 to participate in wildlife related activities.

In addition, I believe the Committee has been supplied with the statistics on support from Alaska business organizations, individuals, and elected officials for increased funding for wildlife under the Teaming With Wildlife proposal in recent times.

Congressman, I believe you have a winner here, and I'm sure the wildlife I speak for today will appreciate the additional management support provided by H.R. 701. Thank you very much.

[The prepared statement of Mr. Rosier may be found at the end of the hearing.]

Mr. YOUNG. Thank you Carl, for your testimony. Nelson, you are up.

STATEMENT OF NELSON ANGAPAK, ALASKA FEDERATION OF NATIVES, ANCHORAGE, ALASKA

Mr. ANGAPAK. Good afternoon, Mr. Chairman. Members of the Committee, thank you very much for coming to Alaska to hold the field hearing on this particular—on H.R. 701 and H.R. 798. For the record, my name is Nelson Angapak. I'm vice president of the Alaska Federation of Natives. We have reviewed H.R. 701, and we are finding that it's a fairly complex bill, that it addresses a number of bills, number of existing statutes. But I think that insofar as establishment of a national policy that leads to sharing of offshore Federal funds with the states affected and the communities most affected, we feel it's a step in the right direction.

Insofar as an expanded statement, Mr. Chairman, we will be reading—submitting our statement.

Another point that I would like to point out, Mr. Chairman, is that the lands that are owned by the Native corporations, all 44.5 million acres are private lands. And having stated that, we support the concept that those lands would never be taken away by condemnation, if my understanding of H.R. 701 is right. You know, it took us years to get the 44 million acres. And Mr. Chairman, there has been from time to time condemnation of ANCSA lands, and I think that that safeguard is a safeguard that we welcome.

Insofar as this bill addresses subsistence, I think that it's addressed in Title III in that portion called cultural. And we do believe, Mr. Chairman, that when we look at the resources that are used for subsistence purposes, those resources need protection. And I think that— you know, you know that unemployment in rural Alaska is 60 to about 80 percent on the average. And they are not working not because they don't want to work, but because there is a lack of economic and employment opportunities. So subsistence is a major portion of life in rural Alaska. And I think that protection of those resources is one of the things that we feel is paramount in this—in H.R. 701.

So Mr. Chairman, with that, I want to thank you for coming up to Alaska, and I do hope that you will give our membership and the state of Alaska an opportunity to make their own individual comments on both of these two bills. Thank you very much.

Mr. YOUNG. Thank you, Nelson. And again, we are in the process of hearing as many people as we possibly can and for constructive suggestions because the philosophy of these bills are, I think, in

the right direction, as you mentioned. So the record will be open and we will be more than willing to take all comments, suggestions, advice, as we try to go forth with this process.

Mr.—Steve, you are up next.

STATEMENT OF STEVE BORELL, ALASKA MINERS ASSOCIATION, ANCHORAGE, ALASKA

Mr. BORELL. Thank you, Mr. Chairman. Thank you for inviting us to participate today. My name is Steve Borell. I am executive director of the Alaska Miners Association. I am testifying on behalf of the association. First, just a couple of comments about H.R. 798. We cannot support this bill. This bill is not in the best interest, in our opinion, of American business, of the mining industry, of private property owners, or the general public.

The rest of my comments will focus on H.R. 701, Conservation and Reinvestment Act. We support the primary goal of this bill, which is to pass revenues from offshore leasing to the state's local communities where revenues are generated. Local states and communities are better able to properly allocate and use these funds and to do so with significantly less administrative overhead than Federal agencies. We do have concerns with this bill regarding Title II.

Specifically we are concerned with any program that gives Federal agencies additional funds to purchase private property. We recognize that H.R. 701 contains some restrictions and limitations, for example, on the amount that can be expended without Congressional approval; however, this does not assuage our concerns. Alaskan miners are possibly the single group of U.S. citizens most severely impacted by Federal agencies intent on obtaining and controlling private property.

Being an inholder has been a terrible problem for many miners in this state. Many Alaskan families have lost their equipment, their property, their life savings and their livelihood because of passage of ANILCA in 1980 that made them inholders. ANILCA contained all manner of promises for access and protection of valid existing rights. With 18 plus years of experience, we can say that those promises have not been honored by the Federal agencies and that the relentless efforts of the agencies to control the property have made a sham of the promises.

Additionally, harassment by the agencies reduces the value of the property so that the owner has no viable alternative than to settle at a greatly discounted amount. It is with this background that we cannot support Title II of H.R. 701 as currently drafted.

Our concerns with Title II include the following: Title II creates a dedicated fund that can be used for purchase of private property by government agencies. This fund will become an entitlement, and once the entitlement is established, it is nearly impossible to change it. Agencies will set up new programs to administer and spend the money, lease new office space, hire new employees, all of which establishes new dependencies on the continued receipt and perpetual increase of the amount of money needed.

This dedicated fund will be off budget, and as a result not subject to annual Congressional oversight. The availability of huge amounts of money to purchase private lands will provide a tremen-

dous motivation for government agencies to use the money to buy more private land than is necessary. This will place private property owners in jeopardy. For private lands or inholdings within Federal conservation system units, agencies are able to withhold the issuance of various permits or require outrageous amounts of money as "mitigation," thereby rendering the private land of little value, forcing the owner to sell his property for a song. The existence of a trust fund to purchase inholdings will also become an argument for new congressionally designated parks and refuges, et cetera, because money exists to buy-out inholdings.

As written, the funds can be used to purchase private property within the boundaries of national forests. National forest boundaries often encompass huge areas of private hand. Every mining claim and operating mine will become a target for purchase by the U.S. Forest Service. Farms, ranches, resorts, homes, small towns, and private land around these towns will be placed in jeopardy. The availability of huge amounts of money for purchase of private lands will provide a tremendous motivation for government agencies to find new ways to use the money. The EVOS (Exxon Valdez Oil Spill) funds have been used to separate the Native peoples from their lands and their heritage. The Natives have been given promises of continued use for subsistence and other traditional purposes; however, if 18 years from now they believe those promises, we will be surprised. Native allotments will also be in jeopardy.

There are four areas that we feel need to be changed or we cannot accept the bill. Number one, require a hard cap on the national acreage of land owned by the Federal Government and set this at the same acreage as presently owned. This will ensure that there is no "net loss of private land" for the nation.

Secondly, require that in states where Federal land ownership exceeds some threshold—possibly 10 percent—for every acre of private land purchased, not less than one acre of Federal land be sold into private hands. This will ensure that there is "no net loss of private land" on a state by state basis. Additionally, standards should be established for determining valuation so reduction in value brought about by agency harassment of inholders will not be effective in reducing property values.

We have various other comments within our letter, and we will be submitting all of these for the record. Thank you.

[The prepared statement of Mr. Borell may be found at the end of the hearing.]

Mr. YOUNG. Thank you, Steve. You were reciting the attack on private property. That's under present law. That's occurring right now. And there is no safeguards.

Mr. BORELL. We agree.

Mr. YOUNG. Under my bill, we take away the condemnation proceedings where they cannot condemn land. And the intent of our bill, frankly, is to put the money in to fish and wildlife. That's our biggest intent. The reason we had the idea of purchase of inholdings, there are a lot of inholdings that have been condemned under present law, and there has been no money appropriated to purchase the land from those that have been condemned, but there were not willing sellers. Under my bill, it has to be a willing seller, willing buyer, and has to be also—they cannot condemn the land

to require one to sell. So I'm hoping that we can write a bill that you can look at and say this is a better system than we have now. And because the way—what we have now, I agree with you, has been terribly misused. But I want you to keep that in the back of your head. And hopefully we will have some constructive suggestions out of it.

Carl, how would the Outdoor Council interreact with this CARA bill if it became a reality? Would you be directing or suggesting to the state how the money should be spent, or is there a way that you think there would be more hands-on type approach? I'm just running this by you because you have been a commissioner and now you are in the Outdoor Council position and you are part of the users of our lands in this state, over a billion dollars, as you mentioned. Just how do you think the benefit would be?

Mr. ROSIER. Well, Mr. Chairman, to begin with, I think the Outdoor Council certainly tries to work hand in hand with ADF&G. We certainly don't always agree, but on the other hand, we make every effort to work through the Department of Fish & Game. I think we would certainly make an effort to make our views known to the department in terms of what we see as priorities on this.

As you know, one of the great concerns that's associated with this is kind of the mix that we come up with, the balance that we come up with out of this particular program when we have the consumptive user versus the nonconsumptive user versus ultimately what I consider to be the far right, the animal rights people as far as this is concerned. And the protection of the—you know, of the sports community that's, in fact, utilizing these fish and wildlife resources, we don't want to see that undermined. We want to be sure that the personal use fisherman, the sports hunter, the users of that wildlife as part of a—of the good management program, we want to be sure that that's protected as far as the legislation is concerned.

As I see it, you know, we would certainly—we would certainly benefit. I think you have given the opportunity here with the public process that you are trying to build into this in terms of that involvement of other interests. I think we have to be very careful in terms of the—some of the definitions. I think, as I read the bill, there is a couple of things that are a little soft in my estimation where we talk about definition of conservation. We begin to talk about such things as necessary or desirable to sustain healthy populations. Those are the kind of fuzzy things that get us into a little bit of difficulty down the road in terms of people's interpretation exactly what they mean.

Mr. YOUNG. I happen to agree with you. If you have any suggestions how we can tighten it up, I'm more than willing to have that submitted to us. Most of the time when we write laws, we write them so open-ended that there can be a misinterpretation or this is what was meant. I know we didn't mean to do that, but then the legal beagle is going to get involved and we have all kinds of problems.

Mr. ROSIER. I think you made a good step on it here, Mr. Chairman, and you will hear from us on these kinds of concerns within the bill. But my way of thinking, these are things that will be worked out along the way and I'm fairly confident that these are

not items that are going to jeopardize the bill as far as we are concerned.

Mr. YOUNG. Nelson, you mentioned subsistence, and that is an issue that is very hot. And under this program, I think the main thing you have to keep in mind is the abundance of game—this would be helpful in making sure there is game available for whatever use it has to be and not a lack of game. Quite a bit of dollars go into the Federal offices fund and the legislative branch to make sure that that occurs. Comment, if you would like to.

Mr. ANGAPAK. Mr. Chairman, I think that you put it quite broadly. I don't believe any more comments from me will make it any more clear. You understand exactly what we mean when we talk that, having lived in Fort Yukon and in rural Alaska, you know. Thank you very much.

Mr. YOUNG. I'm not going to argue with you, Steve, at all, but I want you to look on the positive side of this bill, what it does do. And, you know, my bill funds PILT, for instance, which is crucially important. It is, in fact, only Federal lands that can be purchased or inholdings within existing boundaries. They can't buy land outside of those boundaries. And we can make that very clear. It does not preclude the states—I will say this: There is some legitimate concern by those who don't want any more land taken out of private ownership. It does not preclude the states because I will not direct the states if they wish to try to pursue that effort themselves. And we might be able to tighten that up. And the excess of $1 million, that could be discussed. That was a figure that we thought would be really the minimum to have to come back. You can't buy a lot for a million dollars nowadays, and it has to come back to Congress.

And I want you to know right now the present system isn't working correctly for land conservation as far as I'm concerned, and it's also being misused for the condemnation of private property. So if we work with this as we go through this, I'd deeply appreciate it because we are—we have a challenge here that I think is badly needed for this country. I think we ought to have more private land. I said that up front. I don't want to use this vehicle, though, to fight the total battle over private and public lands. My ultimate goal is to get involved in the fish and wildlife conservation and the perpetuation of species instead of decline of species. That to me is important after the year 2000. We will work with you.

I want to thank the panel. Appreciate you being here and appreciate your comments. Thank you very much.

[The prepared statement of Mr. Dennerlein may be found at the end of the hearing.]

Mr. YOUNG. Now we will have panel three. Ms. Cindy Bailey, Director for Local Governmental Affairs, BP Exploration-Alaska; Ms. Dorothy Childers, Executive Director, Alaska Marine Conservation Council; Mr. Ray Kreig, Anchorage, Alaska; and Mr. John Schoen, Executive Director, Alaska Office of the National Audubon Society, Anchorage, Alaska.

We'll go right down the line. You're up, Ms. Bailey.

STATEMENT OF CINDY BAILEY, DIRECTOR FOR LOCAL GOVERNMENTAL AFFAIRS, BP EXPLORATION-ALASKA

Ms. BAILEY. Good afternoon. My name is Cindy Bailey. I'm with BP Exploration. I work as the Director of Local Government Affairs with primary responsibility for community relations on the North Slope. I'd also like to express my thanks to you for this opportunity to be here today and also for having this hearing in Alaska.

I'd like to express congratulations to you, Mr. Chairman, for your leadership in developing this bipartisan legislation, which will go a long way toward enabling a more equitable allocation of revenues from offshore oil and gas development. We know that you and your colleagues have worked very hard to get to this point, and we are pleased to support this long overdue legislation.

On behalf of BP Exploration, I would like to take this opportunity to very briefly comment on Title I, the impact assistance provisions of H.R. 701, the Conservation and Reinvestment Act of 1999.

Your legislation creates a mechanism to allocate offshore oil and gas revenues to states and local communities. As you know, BP Exploration has been operating on the North Slope of Alaska for over 20 years, and we hope to continue operating for many more years. Our long-term commitment to Alaska is demonstrated by our continued investment program and commitment to developing a resource base without adverse impact to the environment. As you know, we take these responsibilities very seriously. We view the people of Alaska and the North Slope residents as partners in many of the decisions we make. While Alaska does not yet have production from Federal OCS leases on the North Slope, we fully expect and hope it will begin when Northstar and Liberty become operational after the year 2000.

To the merits of H.R. 701, Mr. Chairman, you are well aware of the immense needs which exist in many of the rural communities in Alaska. Many of these communities lack basic infrastructure like clean water and sewer systems and safe roads on which to travel. Unfortunately, state, local and Federal budgets cannot always fully address those needs. That is why H.R. 701 is so important. It will provide much needed resources and flexibility for the state and local communities to deal with these very real problems. Furthermore, this legislation will also benefit coastal communities in the Gulf of Mexico region where we also operate.

Finally, there has been discussion about this legislation creating incentives for offshore development. And I want to state clearly that such statements could not be farther from the truth. The fact is, this legislation will in no way provide an incentive for BP Exploration or any other company to invest in offshore development in Alaska or elsewhere throughout the U.S. Our investment decisions are made on environmental and economic merits, not on the basis of how Federal revenues will be distributed to states and local communities. I hope you will share these views with your colleagues who may view this differently.

We stand ready to support you in advancing this legislation which will invest Federal OCS revenues to states and local communities which play host to offshore operations and activity.

Again, I thank you for this opportunity to present the views of BP Exploration before the Committee.

[The prepared statement of Ms. Bailey may be found at the end of the hearing.]

Mr. YOUNG. Thank you for good testimony. Dorothy.

STATEMENT OF DOROTHY CHILDERS, EXECUTIVE DIRECTOR, ALASKA MARINE CONSERVATION COUNCIL

Ms. CHILDERS. Thank you. My name, for the record, is Dorothy Childers. I'm the executive director of the Alaska Marine Conservation Council. We are a broad-based, community-based organization. Our members are over 600 now. They come from diverse cultural and economic backgrounds. What we have in common is that our livelihoods and ways of life are closely tied to coastal and marine resources. Our members include commercial fishermen, recreational fishermen, subsistence hunters, small business owners, guides, marine biologists, fishery observers, parents and tribal leaders. In preparing for this hearing, I spoke to one of my members who said to me, "We wouldn't live here and we can't stay here without abundant resources. They make us who we are."

I would first like to thank you for the important work you have done in the past in the protection of Bristol Bay through the annual OCS moratorium, and we also want to thank the Resources Committee for considering new legislation for funding coastal conservation and giving us the opportunity to testify today.

Mr. Chairman, you are well aware of the many changes that are occurring in the ocean environment in the north Pacific today that are cause for great concern: Seabird die-offs; marine mammal and seabird declines; killer whales preying on sea otters which was not done before; thinning sea ice, which changes the habitat for ice-dependent marine mammals and presents dangers for subsistence hunters who travel on ice; new algae blooms are taking over large water masses in the Bering Sea; and some of our commercially harvested fish stocks are lower in abundance at a time when markets are poor and fishermen are struggling. In the western Gulf of Alaska, the once prized red king crab population collapsed in the early '80s. It has yet to show signs of recovery at the same time that the bycatch of these crabs goes unchecked. These changes in management problems call for a better scientific understanding and conservation initiatives to guide long-term management of our resources.

So in looking at these two bills, we find very good elements in both of them that we think can help meet some of these needs effectively. There are two aspects to the legislation that we would like to address. The first is dedicated funds for marine conservation, and the second is the OCS revenue sharing provisions.

AMCC believes that OCS legislation would serve our communities well by including dedicated funds for the conservation of living marine resources and their habitat. For this reason, we strongly support the approach taken in H.R. 798. Title VI of this bill dedicates $300 million for living marine resources and their habitat. We realize, Mr. Chairman, that your bill H.R. 701 allows for these funds to be spent for such purposes, but we believe that OCS

legislation should include a dedicated permanent fund, if you will, for these purposes.

We think that such a fund would support the state of Alaska in the development and execution of plans to meet these management challenges both for state managed species and for Federal managed species that are deferred to the state. The state also has responsibilities related to the essential fish habitat and bycatch production requirements in the Magnuson-Stevens Act and we think this fund can help support those—implementation of those things. We are not suggesting this money be used to fund existing Federal programs, but rather to complement efforts for which the state is responsible.

We feel strongly that without some dedicated fund, effective implementation of some of the provisions that you, Mr. Chairman, championed—and we thank you—in the last reauthorization of the Magnuson Act are in some danger of slipping through the cracks, because many of these things are going unfunded. So we would like to see a portion of the OCS funds focused on maintaining marine fisheries and their habitat that are important to our communities, and we urge you to look at the approach taken in H.R. 798.

On the OCS revenue sharing, the second area of interest we have in this legislation, AMCC supports the intent in both bills to share a percentage of revenues from OCS activities with coastal states and communities simply as matter of public policy. We recommend, however, that the Committee eliminate provisions that function as inducements to local governments to choose new OCS leasing. Many of our communities have longstanding concerns about offshore oil and gas development that may affect valuable fishing grounds and traditional subsistence hunting areas. Last week was the Exxon Valdez tenth anniversary, was a reminder of the risk that we take and the values we have to weigh in our communities when faced with potential offshore drilling. We appreciate the stated intent of your bill, Mr. Chairman, that it shall not function as an incentive to new leasing, but we wish to recommend some changes to ensure that this intent is clearly met.

H.R. 701 currently drafted provides for the amount of revenue for communities to be tied to the community's proximity to new leases. It is our view that offering financial reward in this way for new leasing undermines the ability of our communities to participate without bias in the OCS decision making process. So we recommend that this link be modified to provide for the best process at the community level that does not place one industry over another. It is up to each of our communities to chart our own future course, but to do so the various economic options available to our community need to be considered on a level playing field.

So it's my honor to provide my members' views to you, Mr. Chairman, and we are happy to work with you further on the development of the bills.

Mr. YOUNG. Thank you, Dorothy, for your testimony. And we will take them into deep consideration.

[The prepared statement of Ms. Childers may be found at end of hearing.]

Mr. YOUNG. Mr. Kreig.

STATEMENT OF RAY KREIG, ANCHORAGE, ALASKA

Mr. KREIG. Thank you, Mr. Chairman. I am Ray Kreig. I came to Alaska in 1970. I'm an inholder in four different units. I'm chairman of the Kantishna Inholders Association, and I'm chairman of the Arkansas Scenic Rivers Landowners Association. And today I'm here testifying in an individual capacity, however.

Before proceeding, Mr. Chairman, even though my time before you is limited, I want to recognize the three decades' long career that you have had in service to the people of Alaska. You and your family's roots go deep in our state. You served as a boat captain on the mighty rivers of our interior. You know the land, and you have used that knowledge to defend the land, mining claims, businesses and rights of rural Alaskans that have continued to be under siege since the D-2 struggles of the '70s. And I thank you. I'm sincere for that.

What I want to talk to you about today is the implementation of ANILCA as a prologue to landowners' future under a dedicated off budget land trust. President Carter declared national monuments across Alaska in 1979, and the conflict raged between those who wanted to lock up as much of the state as possible and those who had a more balanced perspective that included human habitation and economic activity as part of the landscape.

ANILCA was a grand compromise. No party received everything that it wanted, but the deal crafted by Congress incorporated guarantees of access and valid existing rights for communities, landowners and residents who were enveloped in the new conservation system units.

But Mr. Chairman, as you well know, the intent of Congress codified in ANILCA was not followed. Since then you have seen how promises made to inholders of the conservation system units to preserve our existing rights of access and economic activity have been abridged, undermined, and disregarded by the Federal Government. You have been a champion for Alaska's rural residents, and I think you know very well from this experience the difficulties of designing protections in legislation that will self execute properly, without unintended consequences, in the face of a well-financed and determined bureaucracy working with special interest groups that do not agree with the objectives embodied in an original legislative compromise.

Where I'm going with this is that the private property protections in H.R. 701 are weak and will be ineffective in protecting landowners from these same special interests and agencies who really want Congress to give them the unchecked condemnation powers under H.R. 798. As long as you supply the trust fund money, the ultimate result will be the same as under H.R. 798.

Let me mention just one example of many. Mining. Within only seven years of passage of ANILCA, the National Park Service acquiesced in a friendly lawsuit filed by environmental organizations, and mining in all of Alaska's national parks was shut down by injunction. The miners then suffered years of flagrant abuse as they were dragged through biased validity determinations and ever increasing Park Service demands for more and more detailed mining plans of operations, all designed to exhaust the resources of claim

holders and increase their risk and expense, ultimately driving many of them into bankruptcy.

As for my position on the bills, H.R. 798 is similar in concept to the massive land acquisition agenda of the American Heritage Trust Act of 10 years ago. Both are based on the unappropriated trust fund concept, and I don't believe this was good public policy in 1988, nor do I believe it is now. It should be rejected (as it was by Congress in 1990 after an outcry by Americans across the country).

H.R. 701 has the desirable feature of sharing revenue from Outer Continental Shelf leasing funds with affected coastal states and communities.

If enacted and signed into law, Mr. Chairman, you may think that H.R. 701 will have the properties of a grand Congressional compromise similar to ANILCA. But, also similar to ANILCA there will be those powerful interest groups and agencies that will not be satisfied with your compromise and that will actively start undermining it with confederates in the resource agencies the day after it's signed. The trust fund properties of Title II will be an open invitation to abuse by those that want to thwart and circumvent the will of Congress and you, Mr. Chairman, in this legislation. The recent history lessons from ANILCA demonstrate that ways have not be perfected to effectively manage agencies that are dissatisfied with the direction they receive from Congress, and this is going to be especially so with funding not subject to annual appropriation and review.

My written comment—I'm running out of time here——will go into this in more detail. And I thank you very much, Mr. Chairman.

[The prepared statement of Mr. Kreig may be found at the end of the hearing.]

Mr. YOUNG. Thank you very much for your testimony.

Mr.—John, you are up next.

STATEMENT OF JOHN SCHOEN, EXECUTIVE DIRECTOR, ALASKA STATE OFFICE, NATIONAL AUDUBON SOCIETY

Mr. SCHOEN. Mr. Chairman and Committee staff, thank you for the invitation to testify today on H.R. 701 and H.R. 798. My name is John Schoen. I am the director of the Alaska Office of the National Audubon Society. I've worked as a wildlife biologist here in Alaska for over 20 years. Before I get started, I want to take this opportunity to thank you on behalf of the National Audubon Society for sponsoring the Neotropical Migratory Bird Conservation Act. We appreciate that.

Mr. Chairman, I believe that the concepts embodied in H.R. 701, the Conservation and Reinvestment Act, and H.R. 798, the Permanent Protection for America's Resources 2000 Act, can bring tremendous benefits to conservation programs throughout the United States. There are elements of both bills that Audubon strongly supports. Each would establish permanent funding mechanisms for the purchase of conservation and recreation lands, as well as much needed wildlife conservation and outdoor recreation programs.

We are especially pleased to see the cooperation between you and Congressman Miller in looking for the common ground between

your bills. We encourage you to continue working constructively together to craft legislation that will significantly enhance fish and wildlife conservation and outdoor recreation across America.

As you know, Mr. Chairman, Alaska assembled the largest state coalition supporting the original Teaming With Wildlife Initiative. Both of these bills include major funding for conservation and recreation programs, which were the foundation of the Teaming Initiative, and they have enormous potential for benefiting Alaska. As a former state wildlife biologist, I know how important this funding is for our state.

For example, there is little funding currently available in Alaska for state nongame conservation or wildlife viewing and education programs. An investment in these programs will bring important conservation, recreation and economic benefits to the state of Alaska.

As you work to refine and improve this legislation, Mr. Chairman, the National Audubon Society believes there are four principles that need to be adhered to in a final bill. First, this legislation should not provide incentives for new OCS oil and gas development. Additionally, funding for coastal impact assistance should focus on environmental protection and marine conservation while avoiding deleterious environmental impacts.

Second, new funding for state based conservation should be substantially focused on nongame species of fish and wildlife. Traditionally, most state conservation funding has been directed toward the species that are hunted and fished. This legislation needs to fill that missing link in our nation's wildlife conservation work. We strongly encourage you and your Committee to craft a bill that clearly addresses the significant funding needs for nongame wildlife conservation, wildlife education, and wildlife related education.

Third, annual funding should be made available on a permanent basis and should not be required to go through the normal appropriations process.

And fourth, the Land and Water Conservation Fund should receive a minimum of $900 million each year divided equally between Federal and stateside programs. We also recommend against geographic restrictions placed on expenditure of Federal funds.

The National Audubon Society has previously endorsed H.R. 798. However, we recognize and appreciate many of the positive elements of your bill H.R. 701 and are interested in working constructively with you as this legislation is further developed and refined.

Again, Mr. Chairman, I'm very pleased and heartened that you and Congressman Miller have been working hard to find the common ground between your two bills. This is good news for the American public and the wildlife and wild lands we all enjoy. I firmly believe that by working constructively together, you and your Committee will succeed in crafting a truly landmark legislation benefiting wildlife conservation and outdoor recreation across America.

Thank you for your work on this significant legislation and considering our recommendations.

[The prepared statement of Mr. Schoen may be found at the end of the hearing.]

Mr. YOUNG. Thank you very much, John. Ms. Bailey, in Washington, DC we have heard a lot about incentives, and Ms. Childers mentioned it, too. But I can't find any incentives in the bill. And you have read this legislation. Can you find any incentives?

Ms. BAILEY. No, Mr. Chairman, we have not found any incentives. And as I stated in my testimony, the cost of developing oil and gas reserves are tremendous, and the decisions are made on the economics of each project.

Mr. YOUNG. Okay. And Ms. Childers, there is a relation, because you said there was incentives in the bill primarily because of the proximity of the production. How could you not reward or distribute money according to the proximity of a community or village? I mean, what's wrong with that?

Ms. CHILDERS. Mr. Chairman, my organization supports impact aid to communities that are affected by OCS activities. What we are concerned about, though, in this bill is how—how the funds will be distributed at the lease sale stage, and it's our concern that promises of funding at the lease sale stage will change how local people in a community and a local government participate in the decision making process because they will be facing rewards for making a decision that—to accept OCS development.

Mr. YOUNG. The funding in both pieces of legislation are directly related to activities already occurred. It is not—there is no incentives for any future. It's the—the revenue being generated right now primarily in the Gulf of Mexico has been put in a general fund. We are saying we want to take that money and put it into areas that are impacted by that action.

Ms. CHILDERS. Yes, Mr. Chairman. Our concerns are not—our concerns are strictly about incentives to new leasing around our communities.

Mr. YOUNG. That was your concern, too.

Ms. CHILDERS. Not with regard to existing activities.

Mr. YOUNG. All right. That's a fair discussion. Mr. Kreig, I happen to agree with you 100 percent on the ANILCA. We wrote that bill as well as we could, and I voted against it, and I worked against it. It had 90 amendments adopted to it. We never intended for the agencies to go beyond the intent of the Congress. And I can assure you as we go through this bill we are going to try to tighten it so there is a definite goal, there is water, land, fish and wildlife conservation and promotion. And it's not to be used as a sledgehammer as very frankly Kantishna, Glacier Gay, aircraft, things that were never intended in ANILCA are now being reinterpreted 20 years later by the agencies incorrectly. And that's one of the responsibilities I have to face up to that we didn't write it tight enough. So I'm going to do everything I can to write it tight to make sure this works.

Mr. KREIG. Well, I think that far more effort had gone into ANILCA in trying to put forward a compromise that made it possible for economic activity to continue, but as long as the funding mechanism is there and the money is supplied, it's devilishly difficult to control a situation. And I just think that far more work has got to be done in this area. And it may be insurmountable (as long as that amount of unreviewed money is supplied every year)

to try to come up with mechanisms to ensure that your intent is carried out.

Mr. YOUNG. One of the things, again—I will repeat what I'm saying. The present system isn't working. And my goal is to get the monies from offshore development, nonrenewable resources into fish and wildlife conservation. That's the ultimate desire that I have. And then of course, allowing the states to make decisions on how they would like to spend the money on ballparks, whatever they want to do. But my goal personally is to make sure that we have species that will not endangered and that we have species available for hunting, fishing, whatever it may be, and there is no shortage. And I think we have to address that.

I've said all along that our society today is in probably greater jeopardy because of urban tyranny than anything else. I say that with respect to everybody in this room. The lack of knowledge about what this life is all about is created because there isn't the availability nor the abundance of actually experiencing wildlife. It's not there. And if we don't improve that, it becomes worse. People become insensitive. That's why they got away with ANILCA regulations. People were insensitive to its effect upon individuals and not understanding the intent of the law. I'm trying to write legislation to achieve that goal. It is difficult. But I do not shirk it because it's difficult, because I do think this has to be addressed. I just want you to know that.

Mr. KREIG. Mr. Chairman, if I may, I think you have stated that very well. There is a couple of questions that are very basic, though—Why can't the LWCF funds be freed up to address the maintenance backlog to get more flexibility? Why are they restricted to the use of land purchases only?

Mr. YOUNG. I don't think my bill does that. And that's what we are going to work—we are going to have maintenance in the bill, by the way. That's one of the things that's under H.R. 798 or whatever it is. We are going to have a maintenance provision. We think that is crucial. It was never the intent for this bill to be the purchaser of a great body of land. I will say, though, you have some inholders that would like to sell their land, willing sellers, but there is no money available.

Mr. KREIG. If I might address that, Mr. Chairman, because there is this idea that there are a lot of hardships out there waiting to be purchased. The trust fund, we feel very strongly, is going to create many more new hardship cases than are ever bought out, and that the hardships that are there—we feel that they are relatively rare—the hardships that are there should be bought out through the normal appropriations process. You have got the Court of Claims. You have got——

Mr. YOUNG. It's not happening. It's not happening. That's what I'm saying. And it's hard for us to appropriate dollars. Again, it goes back to a Congress that does not see the justice in appropriating monies to buy someone's private land, ergo they have condemned it. That's why I'm trying to rectify that. It's a matter of opinion, but I'm trying to solve a problem instead of creating a problem. And that's why we have to make sure we write it so we see that that happens.

Mr. Schoen, John, we want to work with you. The Audubon Society and I have fought over these years, sometimes on one side, sometimes on the other side. But the main thing for everybody to understand is we are willing—and I want everybody to look at the possibility of drafting legislation that will solve most people's concerns, but ultimately achieve the goal which I've spoken of, and that is the preservation and conservation of species, and for the good of the society. And to me that's crucially important.

Mr. SCHOEN. If I may, we very much appreciate that. We appreciate your hard work, and we see this as a tremendous opportunity. We are willing to work quite actively——

Mr. YOUNG. I will tell you I have to be a little careful being complimented about working with Mr. Miller very much. What happens when they occur, everybody's eyebrow rises and they wonder what kind of devilment are we up to. And the truth of the matter is we are trying to achieve a goal. He has to give a little. I may have to give a little. And we are going to try to do this. But it's going to take a lot of participation of people like Mr. Kreig, Ms. Childers, Ms. Bailey—all of you have to participate in this program to solve one of the crucial things facing society, and that's the lack of awareness about real life. You cannot get your direction from that boob tube.

And the more we become urbanized, the more we are directed and the more we are actually brainwashed into thinking in certain directions. But if you have access to a fishing pole, you have access to a hunting weapon, you have access to viewing, you become a self thinker. You are not wedded to that what I call propaganda machine that it's becoming now because we are not aware of what life is all about. I'm from a rural area, and I think I still have my hand on the pulse pretty well as far as life goes. This nation as our society as known is in direct jeopardy because of the constant concentration of people and a lack of accessibility to open spaces and availability to participate in fish and wildlife.

I want to thank the panel. I appreciate you being here. And we will continue to work with everybody. I believe that's the last of my witnesses.

And with that we will adjourn this hearing. And it lasted two hours. I want you to understand that.

[Whereupon, at 12:50 p.m., the Committee was adjourned.]

[Additional material submitted for the record follows.]

STATEMENT OF JOHN SHIVELY, COMMISSIONER, ALASKA DEPARTMENT OF NATURAL RESOURCES

Mr. Chairman, my name is John Shively. I am the Commissioner of the Alaska Department of Natural Resources. Thank you for the opportunity to testify on The Conservation and Reinvestment Act, H.R. 701. On behalf of the State of Alaska, I will testify on 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 as 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. Even a revenue sharing program will require hiring of trained staff to oversee the program.

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 in dealing 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 other than 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 may 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 nonurban 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 Greenbelt 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. Congressman Young recognizes 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 H.R. 701.

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, H.R. 701, which bases 20 percent of the funding on the ratio of a state's acreage to the total U.S. acreage, would benefit Alaska.

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.

Mr. Chairman, this concludes my testimony on Titles I and Il of H.R. 701, the Conservation and Reinvestment Act. As I 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. Thank you again for the opportunity to testify on this important legislation. I am prepared at this time to answer any questions the Committee may have on my testimony.

STATEMENT OF WAYNE REGELIN, DIRECTOR, DIVISION OF WILDLIFE CONSERVATION, ALASKA DEPARTMENT OF FISH AND GAME

Thank you for the opportunity to testify. My name is Wayne Regelin. I am the Director of the Alaska Division of Wildlife Conservation.

It is a great pleasure to express strong support for H.R. 701 and to thank you for your foresight and leadership in introducing this landmark legislation.

I commend you for recognizing the need for greater funding for state wildlife management programs. You realize the benefits of increasing our knowledge about all wildlife species and recognize the need for wildlife education programs that give a balanced message to the public, especially to children.

It is gratifying to see the bipartisan support this bill has generated. The large number of congressmen cosponsoring the bill is impressive, but it is more impressive to see that the cosponsors are divided among Republicans and Democrats.

Many Alaskans recognize the need for this bill. We have a broad coalition of over 400 groups, including businesses, sportsmen's groups, environmental organizations, Native associations, and many cities and boroughs that supported the concepts in the old Teaming with Wildlife initiative. Only 2 or 3 of these groups dropped their support when the funding sources changed from an excise tax to offshore oil revenue.

I will focus my comments on Title III of your bill because it provides the greatest benefit to wildlife management, but I do recognize that Titles I and II will also benefit wildlife users.

Title III will provide funds to all 50 states plus our territories that can be used for:

1. management of all wildlife species.
2. wildlife education and
3. wild life-related outdoor recreation.

In Alaska, this funding will provide substantial economic benefit in several ways.

Knowledge about wildlife species can prevent them from being listed as threatened or endangered under the Endangered Species Act. Often groups petition the FWS to list a species that is not hunted because the population status and distribution is not well known or is unknown. This bill will provide funding to make sure this does not occur and reduce the tremendous economic and social disruption that an ESA listing causes.

In Alaska over 1 million tourists visit each summer and one of their priorities is to see wildlife, especially moose and bears. This bill will provide funds that will allow us to develop a watchable wildlife program to increase viewing opportunities and keep the tourists coming. We will build new trails and other types of access that can be used by wildlife watchers in the summer and hunters in the fall. Wildlife viewing can be done in ways that are compatible with hunting through time and space planning and zoning.

Additional millions of dollars can be generated if tourists add only one day to their Alaska vacation. We will develop a watchable wildlife program, second to none, that will attract more tourists and keep them in Alaska longer.

It is vital to the long-term continuation of hunting, trapping and effective wildlife management that we effectively educate the public about wildlife management.

This bill will provide the funds for the states to develop effective educational programs that have a balanced message about the benefits of wildlife management and sustainable use of all of our natural resources. In Alaska we have plans to work with all of the local school districts to provide such a program to students.

I know that Congressman Miller has introduced H.R. 798 that contains some elements in H.R. 701. H.R. 798 omits several elements that concern me and other wildlife agencies throughout the U.S.

H.R. 798 would create an entire new bureaucracy to provide far less funding for wildlife management. I see no need to create another expensive bureaucracy to distribute funds to states when the existing Federal Aid in Wildlife Restoration program can easily accomplish the job at little additional cost.

H.R. 798 would not provide any funding for wildlife education or wildlife-related recreation such as wildlife viewing programs. Funding for both of these uses is essential. Also, it is unlikely to gain enough support to pass Congress without some form of impact assistance related to offshore drilling.

In conclusion, I want to reiterate the State of Alaska's strong support for H.R. 701. Thank you

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STATEMENT OF HON. ROBIN TAYLOR, ALASKA STATE SENATE, WRANGELL, ALASKA

Good Morning, Mr. Chairman and members of the House 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 Alaska State House Speaker Brian Porter and the Alaska State House. 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 provide comments on H.R. 701 and H.R. 798—both of which deal with the sharing of Outer Continental Shelf revenues. I want to begin, however, by expressing my appreciation to Chairman Young and the Committee for holding this field hearing in Alaska.

Since we have been provided only a brief period for our oral presentation, I will summarize our testimony. I do request, however, that the entire written testimony be entered into the hearing record.

Introduction

As you will gather from this testimony, the Alaska Legislature is 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 resource, much 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 out-

weigh the benefits. It is difficult for 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 percent 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 it used to contribute is dwindling rapidly.

Mr. Chairman, put simply, we 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 the Legislature is 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.

We are interested in pursuing, however, 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 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 arises 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, both cargo and passengers, as a direct results 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 in the United States 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 H.R. 701 and H.R. 798.

General Comments

From the perspective of the Alaska Legislature, the general approach in H.R. 701 is much preferred over what is in H.R. 798. The legislation sponsored by Representative Miller does not recognize the need for impact assistance funding—an essential component of any revenue sharing concept. H.R. 798 places more emphasis on Federal land purchases and environmental protection than on balancing those with legitimate human needs of the coastal states. We are seriously concerned about the long term economic impacts of the programs being promoted in his legislation. For those reasons, our suggested changes will be focused on the legislation sponsored by the Chairman.

From our perspective no OCS revenue sharing bill is acceptable unless all funds are subject to legislative appropriation just as now exits for onshore oil and gas revenue sharing, Land and Water Conservation Funds 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 insist that this requirement be incorporated into all three titles in H.R. 701.

The "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.

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.

Title II

Provisions in this title providing for the acquisition of private inholdings within Federal management units are frightening. As we have mentioned earlier, we are opposed to an expansion of Federal land ownership in Alaska. We would favor a provision which states that no additional Federal lands could be purchased in states where over 50 percent of the state land mass is already owned by the Federal Government.

We are 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 its 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. We would recommend 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 203 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 for only 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.

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 provision applying to this subaccount do not apply to the other portion of the account dealing with excise taxes on sporting goods and ammunition.

The legislature would strongly recommend that Section 307 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 the Legislature and the citizens of Alaska overwhelmingly support 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 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.

Most of our suggestions are designed to encourage the concept of revenue sharing with the 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 the Legislature's concerns and offer constructive suggestions.

Alaska State Legislature

Chairman,
Judiciary Committee
Administrative Regulations
Revenue Committee

Vice Chairman,
Resources Committee

Senator Robin L. Taylor

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TESTIMONY
COMMITTEE ON RESOURCES
US HOUSE OF REPRESENTATIVES
Field Hearing – Anchorage, Alaska
March 31, 1999
By
Senator Robin Taylor

Good morning Mr. Chairman. For the record, I am Senator Robin Taylor, Alaska State Legislature. Mr. Chairman, all four of the bills before you today contain the same flaws. If these flaws were not such significant deviations from the Constitution and good public policy I would not be so concerned.

The Framers of our Constitution set forth 3 branches of Government. First, the Congress to set policy, pass laws, and make all appropriations. Second, the Executive branch to carry out those policies and enforce those laws. Third, the Judiciary to judge those actions and to protect the Constitution from violation by either of the other 2 branches.

All four of these bills make a direct off budget appropriation that is perpetual, and, the appropriation goes directly to a politically appointed Secretary of the Interior and through that office directly to the Governor of each state. Our Alaska Constitution, just like yours, provides that the legislature makes all appropriations.

Our Governor does not have the power to appropriate one dime nor does President Bill Clinton. Yet, in all four of these bills, our Governor would have the total authority to approve all planned expenditures and to write his own unilateral plan which would need only the approval of the Secretary of the Interior. These bills will generate up to $150 million for expenditure by Alaska's Governor without any legislative appropriation or authorization. If this is such a good idea, why did the Framers of the United States Constitution and all 50 state constitutions give the total authority for appropriations to the legislative branch?

Furthermore, these bills allow an outgoing Governor and Secretary of Interior to establish a planned program for 5 years, thus totally preventing a new Governor from changing that scheme of expenditures until the second year of his or her second term. It is no wonder that these bills

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are endorsed by the National, Western and Southern Governors' Conferences. Those Governors would get hundreds of millions to spend as they see fit, without any interference from those "pesky" legislators. Every place the word Governor appears in each bill should be replaced with the words "The State Legislature".

Next, I must inquire when the purchase of private property by the Government became the highest priority among all federal expenditures? It is of no small concern to those of us reviewing these bills that acquisition of privately owned land for governmental purposes is above defense expenditures. I think the defense budget still requires an annual appropriation by Congress but these bills will provide a perpetual annual off budget appropriation of up to $1.5 billion a year for what the sponsors seem to believe is a higher need than even our National Defense. Apparently, many in Congress have forgotten that Alaska was invaded and occupied in World War II. We still place defense as a high priority.

Mr. Chairman, in your editorial on Saturday, March 27, 1999 you repeatedly stated that these OCS funds would go directly to the states. Unfortunately, even your bill gives most of the money to Governors to set up their own 5-year schemes for how it will be spent. More sadly, significant funds would also flow directly to the most fanatical of the environmental organizations in the form of grants. In fact, the main thrust of each bill is to buy up private land that government wants for alleged "unmet needs" and to "secure habitat" for kangaroo rats in California, green tree frogs near Petersburg, AK, a subspecies of house fly near Sacramento, CA, spotted owls from California to Canada, and marbled murrelets in Washington and Oregon. In addition, it proposes to buy out every cabin, ranch, and homestead found within the boundaries of federally declared parks, refuges, wilderness areas, etc.

Alaska has very little private land ownership. Less than 1/3 of 1% is privately owned. I have provided the committee with a pie chart to illustrate the dilemma that these bills cause in our state. If only 50% of the funding coming to Alaska is used to acquire land and the action plan only targets 5% of the remote private land, there would be over $12,000 per acre each year available for these purchases. I own 78 acres of fee simple property inside the Stikine – LeConte wilderness area. I acquired this old homestead over the last 20 years and paid approximately $1,000 an acre. My dream is to build a camp for physically challenged youngsters to have an opportunity to enjoy this wonderful area. If I am offered $936,000..... will I become a "willing seller"? Because it is less than $1 million, Congress will never hear about the purchase.

Using the example above, where I used only 50% of the funds contemplated for Alaska, at the end of twenty years, there would be no remote private property remaining in this state. Every remote property owner will have made a huge profit by becoming a "willing seller".

If the price were high enough, I venture that there isn't a member of Congress whose home, ranch, or condo would not be up for sale. The Exxon Valdez Oil Spill Trust Fund has purchased over 600,000 acres in Alaska from "willing sellers" who happily sold their land based on its "recreation values", "wilderness values", "conservation values", and other pseudo non-quantifiable allegations of value. What if the state's action plan targets acquisition of my land,

stating that my land could be ideal habitat for the last remaining colony of the tiny red-bellied millennium worms? This 1/2 inch long worm only appears during the light of the moon January 1st every 1000 years and they are just certain it will come to the surface in my hay field this New Years Eve. Does the price of my land go up? Does the federal and state agency harassment begin in earnest? Do I get any help from any source to resist these overwhelming powers? Do the physically challenged kids get a wilderness camp? No, we already know the answers to these questions. I will get forced off my land and another "willing sale" will have occurred. The millennium worm, if it is even there, is safe. Another "unmet need" satisfied and another "alleged species" is protected. That is what each of these bills will do.

I learned a long time ago, don't make a bad bill better. Foolishly, I tried today, but no amendment will make a silk purse out of a sow's ear. My state needs those OCS funds. We have a $1.2 billion budget deficit. We need money for Education, Public Safety, Roads, Electrical Interties, and Sewer and Water Projects.

There is no limitation on how this House appropriates and the full Congress spends OCS money. Each of the needs I have listed is real and is a direct impact of OCS activities in this state. Couldn't the states please use that money for what the states believe are their greatest needs? My state does not need another square inch of federal park land or state park land. We would, however, like to get rid of the 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 into more parks in perpetuity?

Many believe Title III will provide discretionary funding for state departments of fish and game for good conservation practices. Unfortunately, this illusion is based upon the false belief that the Alaska Department of Fish and Game adheres to that standard. We Alaskans currently have a Department of Fish and Game that refuses to control predators and allows the decimation of caribou and moose populations. A prime example was the recent fiasco where the department used helicopters to capture over thirty wolves from the Forty-mile area and after radio collaring them, flew them to the Kenai Peninsula and located them near a protected caribou herd that is struggling for survival. The alleged reason for this transplant was to see if the new wolves acquire lice as quickly as the lice infested wolves that lived on the Kenai.

Over the last five years the department has spent over $500,000 with the American Academy of Sciences for a peer review of their wolf predator control program. While this review has been pending it has been used as the excuse for doing absolutely no predator control on wolves anywhere in the state. Direct grants of federal funds to this department without total state legislative oversight would be ill advised and inappropriate.

In fifteen years of serving in the House and Senate of Alaska, and having just completed a statewide race for Governor where I finished second, I have never during that entire period, had one fellow Alaskan ever ask me to spend money to manage bugs, snails, or frogs; nor has any Alaskan asked me to spend precious state dollars to buy or acquire one acre of private land to be used for more parks. Our unmet needs are exemplified daily in human suffering. Our unmet

needs are the lack of water and sewer systems to prevent the spread of hepatitis A, B, & C. Our habitat needs are found in substandard housing. Our social needs rank us among the highest in the Nation per capita for alcoholism, suicide, and teenage pregnancy to mention just a few.

With over 99% of the land mass of this state already locked up in governmental ownership, shouldn't we first address the essential human needs of Alaskans before we increase the size of the government estate. Please step back from this ill-conceived gratuity and direct that these OCS funds be given in block grants to the states to use as they see fit for their most essential needs. Thank you Mr. Chairman for inviting me to speak to you today.

Alaska State Legislature

Chairman,
Judiciary Committee
Administrative Regulations
Revenue Committee

Vice Chairman,
Resources Committee

Senator Robin L. Taylor

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February 16, 1999

Andrew Lundquist
Staff Director
U.S. Senate Committee on
Energy & Natural Resources
Washington, DC 20510-6150

RE: Conservation and Reinvestment Act

Dear Andrew:

I received your letter of February 12, 1999 regarding the response to my letter to Mike Henery. Thank you for responding and pointing out the features that are addressed in S. 25.

I still have some concerns though, regarding this issue that maybe you can help address. Following are my concerns:

I know that Senator Murkowski has fought for many years to protect private property rights. Please tell me why it is the League of Private Property Owners so upset with S.25? I believe that S.25 further inhibits the rights of land owners.

You have also referred to the "strictures on the acquisition of private land." I believe that the only real protection that is being offered is the requirement that condemnation cannot be used with these funds. The limit on condemnation is good but it only delays the inevitable. It may simply force a federal agency to take longer, causing the same outcome.

At this time, it appears that the Murkowski bill is actually a greater threat than President Clinton's and Vice-president Gore's proposal because their "Lands Legacy Initiative" is only for one year with no automatic appropriations. I realize, however, that President Clinton and Vice-president Gore fully intend to convert their program into an off-budget

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trust fund the following year, a process that may be "legitimized" with the endorsement of the permanent trust funding concept.

As far as the Kantishna Miners are concerned, they want to mine, just as farmers want to farm. Buying them out does not solve the problem. There are many other considerations to think about by letting the miners mine their property. You generate more taxes, you have families being supported, and you have communities being supported. That can not happen when the land is in federal or state ownership.

Just because S.25 says you can't use the money for buying land within conservation units does not mean that bureaucrats won't come up with creative ways to overcome this. The following could occur: 1) An agency will establish a new area by an executive order, 2) time elapses until the area is no longer new, 3) area is then authorized by Congress in a non-controversial change that appears to be minor but happens to have the effect of qualifying it for land acquisition from the trust fund even though this is not mentioned in the legislation.

You have acknowledged that the Federal Government owns too much land in the West. Does it make any sense to give more money to enable federal agencies to buy even more land in the West?

As you have stated, the funding is limited to federally designated areas only. The environmentalists will start to see everything in terms of a park, refuge, or green space. There was a saying about Congressman Phil Button years ago. He really invented using parks as trading stock for power in Congress. The saying was that "if the only tool he had was a hammer, everything he saw would begin to look like a nail." Federal and state officials will begin to view all land as threatened and in need of a park. The money provided in this action will enable them to do it.

I understand that this bill is the start of a long process. I feel that the good intentions of this bill will be stripped and gutted while the rights of private land owners are further destroyed. Please find another way to achieve your OCS funding and make sure that it does not involve Federal or state land acquisition.

Sincerely,

Robin L. Taylor

Robin L. Taylor

Alaska State Legislature

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January 25, 1999

Mike K. Henery
Committee on Resources
1626 Longworth HOB
Washington, DC 20515

Dear Mike:

In reading your side by side on the Conservation and Reinvestment Act, I was dismayed to see the superficial understanding of the major problem with this bill.

First and foremost as you know the western states have been at war with the Federal bureaucracies for 20 plus years. This agency's personnel have distorted every act of Congress to take away the essential rights of land ownership thereby making the land uneconomic to own as the productive capacity has been regulated to death. I am sure that many victims of this plague are now willing to sell the ranch to the Feds. When they fence your cattle away from water they die - when they set aside timber buffer zones along every rivlet and around every spotted owl tree or eagle nest -you cannot harvest the timber your family grew and paid taxes on for 70 plus years - you cannot develop the land for the new High School (Juneau) or new hospital (Sacramento) because of wet lands or some "rare" fly - your land becomes all but worthless! At that point I would imagine you become a willing seller" when the Feds offer to buy you out at the new worthless value.

Your side by side will probably satisfy those naive trusting folks who believe the government is there to help them, but those victims of Federal strangulation know too well the pressure that can and has been brought against them by the overwhelming power of the US Government.

Remember the directives to Interior, Federal Fish and Wildlife, EPA, and other Federal Agencies just 3 years ago when they said use taxes, permitting authority, regulations and even money to coerce private property owners to comply with the federal policy? The Columbia River Basin language, the Eco-system management proposals, the spotted owl policies - actually contain these directives to Federal managers!

The only hope and the only defense against this Federal onslaught is the Constitution and our elected representatives. That means going to court (i.e. Wayne Hage of Pine Creek Ranch,

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over 9 years of litigation - the ultimate outcome is that the Feds will buy him out or pay significant damages) or it means going to Congress. For decades these people have gone to court and gone to Congress and since no one protected their rights they are waiting for compensation from the Feds.

The programs to which these moneys would be conveyed are all bent on creating as many new parks, recreation areas, habitat conservation areas, wilderness set asides as they can. All of this land will be removed from private ownership.

Obviously the Federal and State Governments know best how that land should be used and that private land owners must be removed. Failing to drive them off by "coercion" Congress should now use money to buy them off the land.

It was so reassuring that the bill would not grant any new condemnation authority! Wow what a blessing. The Government now has all the condemnation authority it ever needed or will need, however, the reason the Feds are not using that authority to take the land is: 1) They would have to pay a fair and just price and even more importantly, 2) They would have to justify the taking in a court of law! Why bother or slow down the Federal agency in its land acquisitions by making them go to court and justify the taking. Just give them lots of money and they will acquire land for which there is no justifiable reason to take. If you think I am nuts please review the expenditure of 100s of millions by the Exxon Valdez Trust managers who had NO condemnation authority, yet it spent it all to buy land from "willing sellers" in Alaska. Most all of these lands were selected for their timber value by the Natives. Few, if any, of these lands were even touched by the oil spill. Some are several hundred miles from the spill. The spill only affected the tidal zone, most of which is State of Alaska land not private.

Today hundreds of thousands of acres of productive private forest land will never produce a single resource job even though it was selected and acquired for that purpose. That Trust frequently paid more than the timber was worth to make sure their green agenda was carried out.

New revenues proposed to the State of Alaska are truly frightening. Let's just imagine how Tony Knowles and his former environmentalist Marilyn Heiman (now of the Department of the Interior) will enjoy "partnering" to make sure the Federal moneys and state revenues are used appropriately.

110 million to fund the Land and Water Conservation Fund. Those funds will be used to purchase every key piece of private land that will stop every road, power line, utility corridor, port etc. that they can. They will buy out every park inholder. They will use it for their agenda not Don's.

16 million for state and local parks. Great we even get the cities involved to taking private land for parks. Over 66 percent of this state (over 230 million acres) is already in Federal ownership. 103 million in state ownership. Private land is less that three-tenths of one percent. How much more land do these bureaucrats need ?!

23 million for state wildlife conservation and education programs: (a) Conservation programs today lock up vast areas so that no snowmobiles, air boats, jet boats or ATVs can use them. Conservation land that is set aside so that no mining, timber harvesting or agriculture can occur there. (b) Education programs will fund the locked up bear viewing areas and this will give them the funds to force Hunter education classes and tests before they issue a hunting license.

Wouldn't it be something if Don and Frank came home to Alaska to hunt and were told that they could not get a license as they had not taken the now mandatory "education" course. The Alaska Legislature turned them down on that request. If this bill passes, the Alaska Department of Fish and Game will get the funds to do it from Uncle Sam.

One interesting aspect of the bill is that two-thirds of the land would be acquired in the Eastern United States. Why didn't the Feds just run these folks off their land like they did the rural westerner? The answer is simple, the Easterners owned their land and it could not be taken without resort to condemnation. As the Feds had no justifiable public purpose they would not and could not take the land. The 5th amendment to the Constitution of the United States also says they would have to pay full market value if they use condemnation. Under this bill the Eastern land owners gets paid to move off the land, Hey! I feel better already.

If you want to improve this bill, strip all but one concept. Allocate the full amount to give to Eastern land owners and require the Feds to buy and condemn land of equal acreage to that already locked up in wilderness set asides in Alaska before they acquire one more inch of Alaska.

Lets see now... take 55 million acres out of the eastern states, we would lose about 6 states, not a bad idea. I am sure they crave wilderness. Wasn't it Congressman Bob Marazak from Long Island, New York who sponsored and pushed through the Tongass Timber Reform Act? Obviously easterners want wilderness so give them the same amount that we have in just one state!

Well Mike, when Don gets done buying up that much of the East for wilderness give me a call and we can talk again about more Federal money for Babbit and Knowles to use to buy up Alaska's private lands.

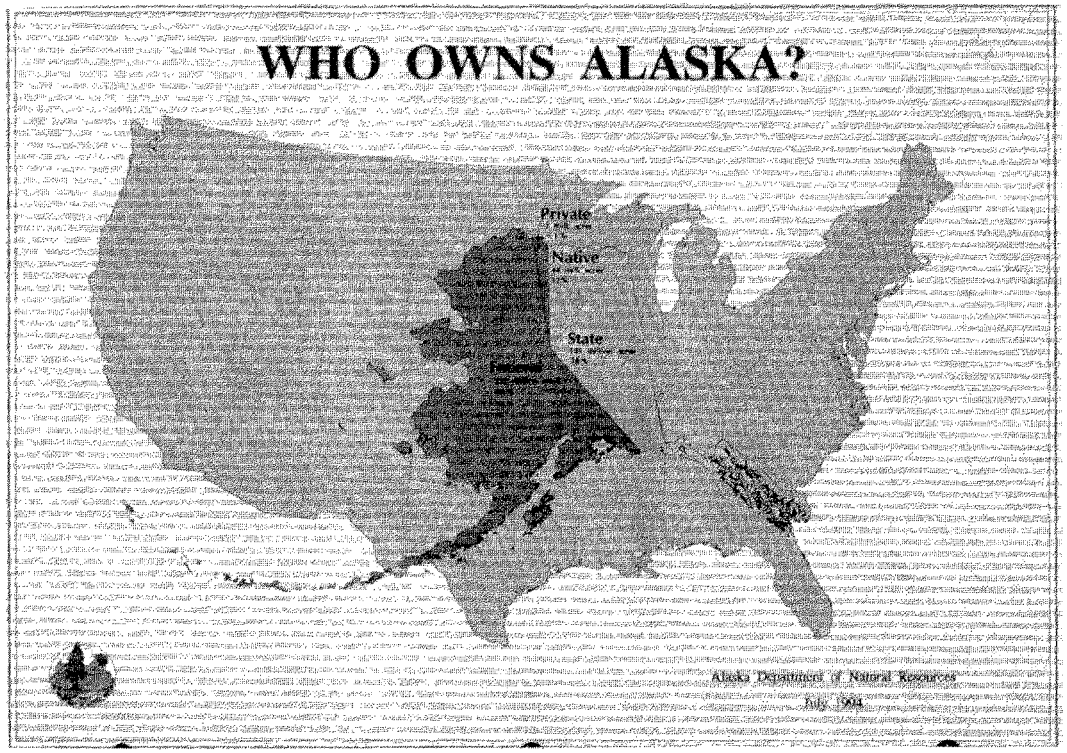
If you really are serious about making another run at OCS funds - appropriate it to the maintenance of schools and roads in western states (It might make up for the lost millions in timber revenues lost in Alaska, California, Idaho, Oregon, Washington, etc. etc.) Furthermore, how could Congress vote against the children?

Sincerely,

Robin L. Taylor

Robin L Taylor

WHO OWNS ALASKA?



Alaska Department of Natural Resources
July 1994

STATEMENT OF CARL L. ROSIER, RETIRED COMMISSIONER, ALASKA DEPARTMENT OF FISH AND GAME AND ALASKA OUTDOOR COUNCIL BOARD MEMBER

Good morning Mr. Chairman and members of the House Committee on Resources. My name is Carl L. Rosier and I am here today testifying on behalf of Alaska fish and wildlife resources as a retired Commissioner of the Alaska Department of Fish and Game that has been involved with management and development of those resources since 1955. In retirement, I am also a Board member of the Alaska Outdoor Council. The AOC is an umbrella organization representing a diverse group of sport and recreation clubs that number 47 and have a membership of approximately 12,000 individuals. I am representing the views of AOC in my testimony today.

Before beginning, I would like tu express my appreciation to Chairman Young and the Committee for holding this field hearing in Alaska and inviting me to testify.

I have carefully reviewed both H.R. 701 and H.R. 798 and I strongly prefer the approach in H.R. 701. It appears to me that endangered species are dealt with after listing in H.R. 798 rather than encouraging action before listing occurs. It also seems that absence of an impact assistance program within H.R. 798 conflicts somewhat with the basic concept of sharing OCS funds. Further H.R. 701 appears to give considerably more flexibility to the States and their political sub-divisions to design needed programs and identify priorities. H.R. 798 appears to be a top down Federal approach with substantially more Federal agency involvement. For the above reasons my comments are being confined to H.R. 701 and due to my wildlife background largely Title III.

It is my view that H.R. 701 is "land mark" legislation that promotes a wildlife legacy for all citizens for many years to come. The sponsors of this bill can truly be proud of their efforts as this bill provides for increasing and stabilizing funding for wildlife, fish, land and water conservation programs.

Further, H.R. 701 builds on the long term financial support states have received for many years from hunters and fishermen and utilizes the successful distribution system of the existing Federal Aid in Wildlife Restoration program to minimize costs.

Provision of H.R. 701 that enable States to initiate preventative measures early on to address needs and habitat requirements of declining fish and wildlife species that may be listed under Endangered Species are exceedingly important. This ability to develop information about a species, especially non-game species, will help tremendously in avoiding listing and design of recovery programs if listing occurs. Non-game funding is tough dollars to come by in today's climate of tight budgets at all level of government.

With today's increased urbanization of our population and shrinking wildlife habitat the need for providing good balanced public education and outreach programs regarding fish and wildlife is exceptionally important. Public understanding of management programs to avoid the emotional ballot box approach to wildlife issues is essential to responsible resource stewardship, H.R. 701 goes a long way toward bolstering available funding in this critical area.

As our population grows, maintenance and creation of access to lands and water is critical to the use and enjoyment of fish and wildlife resources. H.R. 701 provisions that finally fund the State side of the Land and Water Conservation Fund program is a welcome provision. This will help insure the improvement of public access to areas used by hunters, anglers and other outdoor interests.

There are numerous other positives within H.R. 701 but those listed above are the primary reasons for our support of this bill today.

At this time, with the bill draft before us there are several specific changes we would recommend to H.R. 701 In Title III Section 301, Findings paragraph (2)(7) and (8) the use of "fish and wildlife" rather than just "wildlife" insures equal consideration for all species. We make the same comment on Section 302 paragraph (1).

Title III Section 303(d), we are concerned with the definition of "Conservation" being somewhat vague. It is suggested that wording be inserted in lines 13, 14, and 15 that read "methods and procedures necessary to restore, sustain, and enhance wildlife populations including." Further, in (d) paragraph, line 20 and 21 insert "as well as the historical harvest levels of individuals within a wildlife stock," etc. Finally in (d) paragraph the definition of wildlife conservation education be enlarged to read on line 21 "resource stewardship among consumptive and non-consumptive users." Your consideration of these preliminary proposed changes is appreciated.

Alaskans have a strong commitment to sustainable use of the states fish and wildlife resources. Over 75 percent of Alaska voters in a statewide poll indicated a preference for eating wild game. A study by the U.S. Fish and Wildlife Service indicated that Alaskans spent $1.7 billion in 1996 to participate in wildlife related activities. In addition, I believe the Committee has been supplied with the statistics on sup-

port from Alaska business, organizations, individuals and elected officials for increased funding for wildlife under the Teaming With Wildlife proposals of recent times.

Congressman, I believe you have a winner here and I am sure the wildlife I speak for today will appreciate the additional management support provided by H.R. 701. We look forward to working with you as the bill proceeds through Congress.

Thank you!

STATEMENT OF STEVEN C. BORELL, P.E., EXECUTIVE DIRECTOR, ALASKA MINERS ASSOCIATION

Thank you Mr Chairman.

My name is Steve Borell, I am the Executive Director of the Alaska Miners Association and I am testifying on behalf of the Association.

Regarding H.R. 798, Permanent Protection for America's Resources 2000 Act

We cannot support this bill. This bill is not in the best interest of American business, the mining industry, private property owners, or the general public. This bill expends large sums of money for purchase of private lands and does not provide monies to states and communities that can better determine how the funds should be spent. The expenditures proposed by this bill should not be allowed. We oppose this bill.

Regarding H.R. 701, the Conservation and Reinvestment Act

We support the primary goal of this bill which is to pass revenues from off shore leasing to the states and local communities where the revenues are generated. Local states and communities are better able to properly allocate and use these funds and will do so with significantly less administrative overhead than will Federal agencies.

We do have concerns with this bill and these are with Title II. Specifically, we are concerned with any program that gives Federal agencies additional funds to purchase private property. We recognize that the H.R. 701 contains some restrictions and limitations, for example, on the amount that can be expended without Congressional approval. However, this does not assuage our concerns.

Alaskan miners are possibly the single group of U.S. citizens most severely impacted by Federal agencies intent on obtaining and controlling private property. Being an inholder within national parks, preserves, refuges, monuments, wild & scenic rivers, etc. has been a terrible problem for many miners in this state. Many Alaskan mining families have lost their equipment, their property, their life savings, and their livelihoods because the passage of ANILCA in 1980 made them inholders. ANILCA contained all manner of promises for access and protection of valid existing rights. With 18 plus years of experience we can say that those promises have not been honored by the Federal agencies and that the relentless efforts of the agencies to control the property have made a sham of the promises. Additionally, harassment by the agencies reduces the value of the property so the owner has no viable alternative but to settle at a greatly discounted amount.

On several occasions Senator Stevens ensured that funds were appropriated to allow the National Park Service to purchase the mining claims held by miners at Kantishna. Furthermore, if my memory is correct, on at least three occasions Senator Stevens or Senator Murkowski wrote specific legislation that would provide relief for Kantishna area inholders. About five years ago, while he was Ranking Minority Member on the Senate Energy and Natural Resources Committee, Senator Murkowski presided over a hearing of that Committee held here in Anchorage on the problems faced by inholders and their treatment. However, even with all this effort, I am aware of only four instances where Kantishna inholders have actually been compensated for their property. I am aware of many others, who because of agency delays and harassment (both deliberate and incidental) have lost everything they had. These are some of the most bitter and hurt Alaskans you would ever have the opportunity to meet. Many of them died before receiving any compensation or even a small measure of Justice. Money has been appropriated but the National Park Service has been unable and/or unwilling, to settle with the affected persons at a reasonable value.

Our Opposition to Title II Purchase of Private Land

It is with this background that we cannot support Title II of H.R. 701 as currently drafted. We urge that Title II be removed from the bill or changed significantly. This Title provides funds for the Federal Government to purchase private land. There are some instances where this is appropriate but those are exceptions and

should be dealt with on a case by case basis. Our concerns with Title II include the following:

1. Title II creates a dedicated fund that can be used for purchase of private property by government agencies. This fund will become an "entitlement" and once an entitlement is established it becomes nearly impossible to change it. Agencies will set up new programs to administer and spend the money, lease new office space, and hire new employees, all of which establishes new dependencies on the continued receipt and perpetual increase in the amount of money needed.

2. This dedicated fund will be off-budget and as a result, not subject to annual Congressional authorization and oversight. Such oversight now occurs during the debate over each appropriations bill. All expenditures must be weighed against other needs of the nation. Even where there is annual oversight, there are numerous instances where government agencies have strayed from the intent of Congress. When this happens Congress has an extremely difficult task getting the agencies back under control. Examples of this problem, even with annual Congressional oversight through the appropriations process, can be found in every land management agency in the Department of Interior. Moneys for purchase of private lands must continue to be tightly controlled and be subject to the annual Congressional appropriations and oversight process.

3. The availability of huge amounts of money for purchase of private lands will provide a tremendous motivation for government agencies to use the money to buy more private land than is necessary. This will place private property owners at jeopardy. Where private lands are inholdings within Federal conservation system units, agencies are able to withhold issuance of various permits or require outrageous amounts of money as "mitigation," thereby rendering the private land of little value and forcing the owner to sell his property for a song.

4. The existence of a trust fund to purchase inholdings will become an argument to support new Congressionally designated parks, refuges, etc.

5. As written the funds can also be used to purchase private land within the boundaries of National Forests. National Forest boundaries often encompass huge areas of private land. Every mining claim and operating mine will become a target for purchase by the U.S. Forest Service. Farms, ranches, resorts, homes, small towns, and private land around towns will be placed in jeopardy.

6. The availability of huge amounts of money for purchase of private lands will provide a tremendous motivation for government agencies to find new ways to use the money. The Exxon Valdez oil spill (EVOS) settlement moneys are a recent example of how large amounts can be misspent. EVOS monies have been used to purchase several hundred thousand of acres of private land in a state with little private land to begin with and place them into restricted set-asides. These lands could have been productive. They could have provided on-going revenue for their owners, jobs and economic benefit to their communities and taxes to local and State governments. But no, the EVOS funds have been used to separate the Native peoples from their lands and their heritage. The affected Natives have been given promises of continued use for subsistence and other traditional uses. However, we have no confidence that 18 years from now these promises will have any more weight than the promises in ANILCA for protection of valid existing rights. Glacier Bay provides an example where the fishermen are being driven out of the area simply because the National Park Service does not want them there.

7. These funds will place Native allotments in jeopardy. There are now several thousand Native allotments that are inholdings within Federal set-asides. Title II funds will be used to place tremendous additional pressure for these landowners to sell their property. Access and other restrictions can easily make these lands nearly unusable by their owners. If a large source of funds is readily available, the danger of increased restrictions and pressure on individual Native allotment holders is sure to accelerate. The cancerous efforts of the Federal agencies to buy up Native allotments is ongoing but a new fund of money will be established to remove remaining allotment holders.

8. Just as EVOS lands have been used to separate lands in Prince William Sound from the Native owners, Title II moneys will be used to purchase Native Village lands all across the State of Alaska.

9. Even though ANILCA says "no more" parks and preserves, this Title II will provide money to do just that—add more land to parks, refuges and other set-asides in Alaska.

10. The compensation for communities and states through PILT (payment in lieu of taxes) will not benefit Alaska. Most of the PILT lands in Alaska are in the unincorporated borough and/or have not been developed so there is no property tax history for them. They do not contain taxable businesses, facilities, homes, etc. These lands are not presently on the tax rolls. With Federal purchase, they will never pro-

vide any tax revenues to state or local communities. PILT will not be paid either. Native lands under ANCSA are not taxed until they are developed and if I am correct, Native allotments are not taxed unless a business is developed on them.

11. Of Alaska's total 365 million acres, approximately 215 million acres are already federally owned and will never provide a tax base for local and state governments. This fact was the basis of former Governor Walter Hickel's $30 billion suit against the Federal Government. There is no justification for the Federal Government to own any additional land in Alaska. In fact, the Federal Government should be selling land.

12. The Federal Government can make better use of this money than by purchasing private property. If this is not the case, reduce the royalty charged on OCS oil & gas production and increase our Nation's scarce domestic reserves of oil and gas. Additional tax revenues generated may well exceed the lost royalty revenue.

Our Recommendations Regarding Title II:

We have sought to show why we cannot support H.R. 701 as now drafted. If we have not convinced you to remove Title II in total, then we urge that major changes be made to it. There are four changes that need to be made and without these Title II cannot be made acceptable to Alaska miners:

1. Require a hard cap on the national acreage of land owned by the Federal Government that is the same as the acreage presently owned. This will ensure that there is **"no net loss of private land"** for the nation.
2. Require that, in states where Federal land ownership exceeds some threshold (possibly 10 percent), for every acre of private land purchased, not less than one acre of Federal land be sold into private hands. This will ensure that there is **"no net loss of private land"** on a state by state basis. Additionally, a standard should be included for determining valuation so the reduction in value brought about by agency harassment of inholders will not be effective in reducing property values.
3. Extend the prohibition on Federal agency use of condemnation so it applies to state and local governments. This prohibition must apply to funds obtained under any part of the bill.
4. Remove in total the provision allowing U.S. Forest Service inholdings to be purchased under this bill.

Other changes that should be made include:

5. Require that any purchases of more than $250,000 or 5,000 acres be approved by Congress through the appropriations process and agreed to by the legislature of the affected state.
6. Include a prohibition on the purchase of any additional private land within a county, parish or borough where government (Federal plus state plus local) ownership already exceeds 20 percent of the total land area.
7. Include a prohibition on the purchase of any additional private waterfront footage within a county, parish or borough where government (Federal plus state plus local) ownership already exceeds 20 percent of the total waterfront footage.
8. Include a prohibition on the purchase of any private land in Alaska.
9. Provide a guarantee that any lands purchased under this law remain open to hunting, fishing and trapping.
10. With all the needs that exist across the nation, there is no justification to spend funds strictly on land acquisition or recreational purposes. Each state should be allowed to spend these funds on maintenance or capital improvements if it feels these needs are greater.

Other Changes Needed to H.R. 701.

There are other important issues in this Act that we feel need to be changed and these include the following:

13. The definition of "coastal population" references the Coastal Zone Management Program (CZMP) and thereby requires that a state have an approved CZMP before it can receive monies under the Act.

14. The definition of "coastal population" will lead states to increase the area covered by their CZMPs so they include more people and thereby increase their allocation of funds. The rules for defining CZMP areas are not clear and there are major differences between CZMPs. In some locations the coastal zone is limited to the area of tidal or salt water interface. In other locations (in Alaska) CZMPs extend several hundred miles inland.

Recommendation: The definition of "coastal population" needs to be changed to separate it from the CZMP. For example, the inland extent could be specified as ex-

tending a set number of miles, say 20 miles, from the "coastline" which is clearly defined in the Submerged Lands Act (43 U.S.C. 1301 et seq.).

15. Section 105 forces the Federal Government, the states, and the local political subdivisions to establish a new bureaucratic agency to develop, review, approve, oversee, update, etc. the state plans.

Recommendation: Allow the states and local political subdivisions to determine how the monies will be used and eliminate these agencies. Utilize self-policing by allowing the local political subdivisions to use the superior court to settle differences with their respective states.

16. The paragraph numbering in Section 202(d)(2) regarding allowed uses of monies given to Tribes and Alaska Native Village Corporations does not appear to correspond with the referenced paragraphs.

15. State Action Agendas now require approval of the Federal Government. The Federal Government is already involved and controls too many activities that should be strictly the purview of the states.

Recommendation: Remove the phrase "Federal agencies" from the list of participants required for development of the State Action Agendas.

17. The 4 year update cycle required for State Action Agendas is too short. As with the triennial reviews required by the Clean Water Act, opposition by environmental groups will result in litigation that lengthens the time to carry out such updates.

Recommendation: Extend the planning horizon to 10 years, require an update cycle of every 8 years, and allow updates at shorter intervals.

18. Federal agencies often find creative ways to divert funds into "Initiatives" that are not authorized by Congress. A recent example is the American Heritage Rivers Initiative.

Recommendation: Include specific language that no funds from this Act can be used as a part of any initiative or other activity that is not authorized by Congress.

Further General Recommendation: That the entire Act be studied with the specific goal and view of removing Federal control and involvement wherever possible.

19. Section 205 involving the Habitat Resource Program contains a potential trap for land owners that may jeopardize future use of the land. What happens if at the end of the agreement period the Federal agency decides that the land must not return to its pre-agreement use because of threatened or endangered species?

Recommendation: Include a guarantee that the property owner may return the property to other uses once the agreement period is completed.

20. The findings in Section 301 (5) and (6) should be changed to read "hunting, [and] fishing *and trapping*" and "hunters, [and] *anglers and trappers*" respectively.

Thank you for the opportunity to testify on H.R. 798 and H.R. 701. It should be clear from our comments on H.R. 701 that we are very concerned with some portions of this Act. We look forward to continued involvement in these Acts.

STATEMENT OF CHIP DENNERLEIN, DIRECTOR, ALASKA REGIONAL OFFICE OF THE NATIONAL PARKS AND CONSERVATION ASSOCIATION, ANCHORAGE, ALASKA

Mr. Chairman, and members of the Committee, my name is Chip Dennerlein. I am the Alaska Regional Director for the National Parks and Conservation Association (NPCA). I appreciate the opportunity to present the views of NPCA regarding the "Conservation and Reinvestment Act of 1999" (H.R. 798) and the "Permanent Protection for America's Resources 2000 Act" (H.R. 701). NPCA is America's only private non-profit organization dedicated solely to protecting, preserving and enhancing the U.S. National Park System.

The Vital Importance and Legacy of LWCF

To begin, NPCA wishes to acknowledge and applaud the Committee's interest in revitalizing the Land and Water Conservation Fund (LWCF). LWCF has served as one of the cornerstones of our nation's conservation efforts at the Federal, state and local levels. Since its inception, LWCF has been directly responsible for the acquisition of nearly seven million acres of public park land, wildlife refuges and open space. Through the provision of state matching grants, LWCF has made possible more than 37,000 state park and recreation projects, including thousands of projects that have contributed to the quality of life of families in communities throughout America. If the Committee were to spend even a day outside this hearing room to enjoy some of the many wonderful outdoor opportunities which Anchorage has to offer, the significant contributions which LWCF has made to the lives of those who

live and work in Alaska's largest city, and to the experiences of those who visit Alaska, would be everywhere in evidence.

Chugach State Park, a magnificent half million acre park of mountains, alpine tundra, forested valleys and streams at the city's edge, provides habitat for many species of wildlife, including moose, bear, Dail sheep and wolves; and a variety of winter and summer recreation for more than one million visitors each year. During the early 1970s, LWCF provided crucial support for the state's fledgling park system. Much of the land included within the legislated boundaries of the park at the time of its creation was already public land, but key land along lower hillsides and valleys was not. Today, some of the park's primary access sites, most widely used winter ski and summer hiking trails, and most important winter habitats for wildlife are preserved and enjoyed because of LWCF. Anchorage's renowned greenbelts which extend along Chester and Campbell Creeks, protecting riparian habitats, enabling an extensive bicycle and ski trail system, and linking a system of neighborhood pocket parks and recreation facilities would not likely have been possible without the partnership of LWCF. My family and I currently reside adjacent to downtown. We can walk, bicycle or cross-country ski to the University, numerous play fields, nearly to my downtown office, across town to visit my mother or my sister's family, or up into Chugach State Park. The family of three moose that visited our backyard last week can do the same. This is a magnificent legacy, which will become even more valuable over time as Anchorage grows.

LWCF has also helped make possible open space along the waterfront at Seward, the headquarters of Kenai Fjords National Park, as well as open space trails and access which link southeast Alaska communities such as Ketchikan with National Forest lands. Alaska is a excellent example of the value of LWCF—precisely because of its vast size and the existing amount of public lands and open space. Numbers can be deceiving. Size does not always tell the true story. In parks or refuges just as in commercial real estate, the rules can be location, location and location. The value of a thousand acres—for people or wildlife—can depend on the fate of ten acres. Even in a frontier state of vast reserves and undeveloped land, one often finds that the most critical parcel for conservation or access, whether along a shoreline or at the confluence of a stream and river, is privately owned. In many cases throughout the west and in Alaska, these were some of the earliest sites to be homesteaded or sold. The paradox is that even in Alaska, the future protection and enjoyment of some of our most valuable natural resources—from national parks to neighborhood playgrounds—has and will continue to depend on our ability to acquire ownership or conservation easements on critical parcels of private land.

The Urgent Need to Revitalize LWCF

Unfortunately, during the early 1980s, policies and actions by Administration officials and others dealt serious blows to the LWCF program. This could not have happened at a worse time. Eighty percent of everything ever built in America has been built since 1950. The past two decades have seen tremendous growth. 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, and by socially damaging losses of local outdoor recreation opportunities, or the ability to protect the integrity of our national and state parks and refuges. Current trends in national demographics, continuing increases in natural and cultural tourism and travel, and expanding commercial and residential development in many park adjacent (gateway) communities 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. We have not kept pace. And in the case of LWCF, one of our most important tools, we have both slipped and failed to recover.

A decade ago, the Federal budgets for the Departments of Justice and Interior were roughly the same. Today, the Department of Justice's budget is three times that of Interior's, and the Federal Government budgets five times more for people to maintain and operate our prisons than for those who maintain and protect our national parks. Directly pertinent to the issue at hand, America now spends three times more money annually on prison construction than we do on park acquisition. At the same time, our nation faces a $10 billion backlog in Federal land acquisition. We risk the loss of areas critical to the conservation of wetlands, watersheds and wildlife habitat, the loss of integrity of our existing parks and refuges, and an inability to protect historic and cultural sites, or provide trails and other outdoor recreation. Such sobering statistics should do more than give us pause. They should compel all of us to find appropriate means to increase our national investment in programs which offer a brighter social and environmental vision for America's future.

Citizens in individual states and communities across the country have already demonstrated the willingness to do their part. In the last election, voters approved nearly two hundred ballot initiatives aimed at protecting open space. These significant actions also send a significant message. The challenges we face today are more complex than ever before. Increasingly, Whether in business or conservation, we increasingly discover that only through partnerships can we achieve success. Despite the encouraging success of recent ballot initiatives, without a strong commitment and partnership on the part of the Federal Government, Federal and state land managers, communities and individual citizens cannot raise the full investment needed to meet the many urgent and growing needs. Moreover, many of our most important challenges, such as conserving habitats for migratory species or protecting natural and cultural resources of national significance, extend beyond local and state boundaries and ballot initiatives. To insure both the future quality of our communities and our national treasures, we must increase our investment in conservation as a whole people. Fully funding LWCF is one of the best ways to invest. It is time for Congress to act. NPCA applauds the Committee's leadership in revitalizing the LWCF.

Some Key Principles for Success

To achieve the conservation goals set forth in the proposed bills, NPCA believes it is critical that any final legislation address the following issues.

Currently, H.R. 701 requires that: (1) two thirds of Federal land acquisition dollars be spent east of the 100th meridian; (2) Federal share funds be used to purchase land only within existing National Park, National Forest, or National Wildlife Refuge boundaries; and (3) Congress approve any Federal acquisition which exceeds $1 million. NPCA strongly opposes inclusion of these or similar provisions which would serve to constrain the use and effectiveness of LWCF funds for Federal land acquisition based on arbitrary requirements that do not match real conservation challenges and needs.

Many areas in the west are experiencing some of the nation's most dramatic population growth. This phenomenon is especially acute in certain counties and communities adjacent to national park units. If the twenty individual counties which surround Yellowstone were all located within a single state of the Union, rather than in three separate states, that new state would have been one of the nation's fastest growing states for the past five years running. The political subdivisions fall within three states, but the counties, states, national forest and Yellowstone National Park share a geography and conservation challenges of local and national significance. Washington County in southern Utah encompasses Zion National Park. Several years ago, Washington was the second fastest growing county in the state. Last year it was first. Katmai National Park and Preserve in Alaska is one of the few places in the world where people can observe brown bears fishing for salmon. A significant percentage of all the photos and film footage that people the world over have seen of bears feeding on jumping salmon come from Brooks River. Last year, through the efforts of Senator Stevens, the National Park Service was able to use a special appropriation to purchase a large private parcel which was located on a critical stretch of the river, and included one of the two major bear viewing sites. There are many more examples throughout the west and it would be tragic for Congress to restrict the use of LWCF funds for some of the most important national conservation acquisitions.

The acquisition of inholdings within existing national conservation system units is a logical priority, for park and public land managers as well as Congress. But to limit acquisition to such parcels could thwart the very ability of LWCF funds to protect the resources values, wildlife and public enjoyment of the parks and refuges. As our knowledge of conservation biology and individual species has grown, we have discovered instances where protection of a key parcel of habitat outside a refuge boundary is crucial to the continued health value or even viability of a species which the original refuge was established to protect. This can be particularly true in the case of migratory species such as birds. The protection of critical wildlife corridors, which enable species to move between existing park boundaries and the boundaries of other Federal or state reserves, has become increasingly important. The corridors are especially needed in cases where adjacent private lands which long served as adequate travel corridors for wildlife face conversion from agricultural or low density residential use to more intensive subdivision and development incompatible with the needs of wildlife. Just last year, Rocky Mountain National Park acquired a critical ranch property outside the park boundary. The long time owners were ready to sell, the corridor was crucial for movement of elk to lowland habitat, and the property would have been slated for development as part of the fast growth along the front range of the Colorado Rockies. Moreover, the pressures of increased

visitation and overcrowding at many national parks can sometimes be most effectively solved by acquisition of adjacent lands outside the park boundaries, to provide additional service or staging areas for new means of access such as transit or shuttle systems which can provide opportunity for existing (or sometimes greater) numbers of visitors to access the park, while protecting park resources and values. The problem in Zion is not that two million people visit each year, but that they visit in one million cars. Today, Zion is developing a shuttle system in partnership with the adjacent community of Springdale. Federal investment, in both transportation systems and sites may be needed for the cooperative plan to succeed. Congress must not foreclose these sorts of options.

The requirement for specific Congressional approval of any Federal acquisition exceeding $1 million is not simply burdensome, but potentially defeating. The cost of acquisitions today, especially of key parcels in prime development areas near parks and refuges makes such a limit unrealistic. Moreover, the pace of change and development in today's world requires that managers have the ability to act in a timely manner, often in the face of competition. Existing Federal law and policy provides a number of safeguards against abuse. In today's world, it is virtually impossible to imagine any major Federal conservation acquisition which would not be the subject of analysis in an approved Land Protection Plan, public review and media attention. I have been involved in a number of acquisitions over the years at the local, state and Federal levels. I can not think of a single instance in which a major acquisition was accomplished without public knowledge, or the opportunity for legislative oversight if controversy arose. Far more common is the complaint from property owners and willing sellers that the Federal acquisition process is already far too cumbersome and lengthy. Adding a Congressional approval provision, such as the one in H.R. 701, would make it even more difficult for public managers and private landowners to do reasonable business in a timely manner.

The Relationship of LWCF Legislation to OCS

NPCA believes it is appropriate to utilize revenues from offshore oil and gas development to fund LWCF, but that it would be inappropriate and damaging national conservation policy to utilize LWCF as a means to encourage or promote an expanded OCS program.

It is a sound policy that when a decision is made to develop a non-renewable natural resource, a substantial portion of the receipts gained be reinvested in the protection of irreplaceable natural resources. It is not sound policy that the potential receipt of funds for resource conservation be employed as an incentive or tool to open additional coastal and marine areas to industrial development, the environmental impacts of which could easily exceed any of the benefits from increased conservation funding. Such a policy could result not only in a "zero sum game" for the protection of locally and nationally significant environmental resources, but a net loss, which could ultimately prove a tragic reversal of the legislation's fundamental purposes and goals. While, the current version of H.R. 701 demonstrates improvement in addressing this serious concern, the bill does not adequately sever the link between conservation funding and incentives for additional offshore leasing and drilling. Several provisions operate to encourage additional development, including providing majority funding to states which expand OCS development, and weakening the ability of coastal communities to oppose or significantly effect OCS development. NPCA strongly opposes these provisions. NPCA supports legislation that contains no incentives for additional offshore oil and gas leasing, exploration, or development. NPCA believes such decisions should continue to be guided and governed by existing law, policy and procedures.

An additional objection regarding H.R. 701 concerns the bill's guidelines and process for expenditure of OCS impact aid. NPCA believes the bill's language as currently written could enable impact aid recipients to utilize the funds for additional industrial development, including construction of oil and gas pipelines and offshore pumping stations. Apparently, at least some state and local officials share NPCA's interpretation. A recently published article in the Peninsula Clarion, the newspaper for the Kenai Peninsula, reported the interest of local area officials in using potential impact aid funds to finance construction of a major new deep water industrial port facility on the western shore of Cook Inlet. NPCA has serious concern that the LWCF formula funding and the OCS impact aid provisions in H.R. 701 could combine to create a double-barreled impact on sensitive coastal and marine resources, by both encouraging and funding additional coastal development. It would be even a greater irony if legislation whose principle purpose was to provide sustainable funding for the protection of environmental resources, was used to not only to encourage resource development, but also to provide an additional source of funds for

further development. NPCA urges the Committee to carefully review the proposed bills and craft language, which is certain to avoid such a result.

In Closing

In addition to the comments presented above, NPCA is member of "Americans For Our Heritage and Recreation," a broad coalition of environmental, conservation and outdoor recreation organizations concerned with the revitalization of LWCF and other heritage and conservation funding programs. The coalition's position on a number of aspects of both H.R. 701 and H.R. 798 has been expressed previously in writing. To reiterate a few of the central points in that correspondence, NPCA strongly supports full funding for LWCF, as well as a revived and adequately funded Urban Park and Recreation Recovery (UPARR) program.

In closing, NPCA again thanks the Chairman and Committee members for opportunity to testify on these important pieces of legislation. At present, NPCA has endorsed H.R. 798. We have strong objection to certain provisions in H.R. 701. We applaud the sponsors of both bills for their interest and efforts in working to develop national legislation which can provide a sustainable, critically needed funding base for local, state and national conservation. We urge the sponsors to continue to work together to address the concerns which NPCA and other conservationists have raised. We hope the Committee will be able to bring forward a revised bill which can be supported by the original sponsors of both H.R. 701 and H.R. 798, and all in Congress who are truly committed to investing in and protecting America's natural and cultural heritage. NPCA looks forward to supporting such a bill. We believe it would be a great and lasting legacy for current and future generations. Thank you.

WILLIAM H. (CHIP) DENNERLEIN, ALASKA (AK)

Regional director since 1993, Chip focuses on issues affecting more than 53 million acres of national parklands in Alaska including transportation and access, tourism, and cooperation with the state of Alaska and Alaska Natives—to preserve the wilderness character and wildlife of the Alaska parks, while seeking appropriate opportunities for people to experience these magnificent areas. Before joining NPCA, Chip was a special assistant in the Alaska Department of Natural Resources, director of Alaska State Parks, Executive Manager for the municipality of Anchorage, and a private natural resources management consultant. Chip has written and spoken on park and public land issues for several universities, and has worked with the park systems of Canada and Australia. He currently serves on a board which oversees planning and development of trails and recreation facilities in state transportation projects, and is an advisor to the Exxon Valdez Oil Spill Trustees and a member of the National Park System Advisory Board. Chip is married to Catherine (Bucky) Dennerlein. They have one daughter.

STATEMENT OF CINDY BAILEY, BP EXPLORATION (ALASKA)

Mr. Chairman and Members of the Committee:

My name is Cindy Bailey with BP Exploration (Alaska). I am the Director of Local Government Affairs with primary responsibility for community relations on the North Slope.

Thank you for the opportunity to appear before you here today and thank you for bringing this hearing to Alaska.

Congratulations Mr. Chairman on developing bipartisan legislation which will go a long way toward enabling a more equitable allocation of revenues from offshore oil and gas development. We know you and your colleagues have worked hard to get to this point and we are pleased to support this long overdue legislation.

On behalf of BP Exploration, I would like to take the opportunity to comment briefly on Title I, the Impact Assistance provisions, of H.R. 701—the Conservation and Reinvestment Act of 1999.

Your legislation creates a mechanism to allocate offshore oil and gas revenues to states and local communities. As you know, BP Exploration has been operating on the North Slope of Alaska for over 20 years and we fully expect to be here for many more years. Our long-term commitment to Alaska is demonstrated by our continued investment program and commitment to developing the resource base without in adverse impact to the environment—as you know we take these responsibilities very seriously. We view the people of Alaska and North Slope residents as our partners. While Alaska does not yet have production from Federal OCS leases on the North

Slope, we fully expect it will begin when Northstar and Liberty become operational after 2000.

To the merits of H.R. 701. Mr. Chairman, you are well aware of the immense needs which exist in many rural communities throughout Alaska. Many of these communities lack basic infrastructure, clean water and sewer systems, and safe roads on which to travel. Unfortunately, state, local and Federal budgets cannot always fully address those needs. That is why H.R. 701 is so important. It will provide much needed resources and flexibility for the state and local communities to deal with these very real priorities. Furthermore, this legislation will also benefit coastal communities in the Gulf of Mexico region where we also operate.

Finally, there has been discussion about this legislation creating incentives for offshore development. I want to state very clearly that such statements could not be farther, from the truth. Fact is, this legislation will in no way provide an incentive for BP Exploration or any other company, to invest in offshore developments in Alaska or elsewhere throughout the U.S. Our investments dccisions are made on environmental and economic merits, not on the basis of how Federal revenues will be distributed to states and local communities. I hope you will share these views with your colleagues who may view this differently.

Mr. Chairman we stand ready to support you in advancing this legislation which will reinvest Federal OCS revenues to states and local communities who play host to offshore activity.

Again, thank you for the opportunity to present the views of BP Exploration before the Committee.

STATEMENT OF DOROTHY CHILDERS, EXECUTIVE DIRECTOR, ALASKA MARINE CONSERVATION COUNCIL

Good morning Mr. Chairman. My name is Dorothy Childers. I am the executive director of the Alaska Marine Conservation Council, a broad-based community organization of over 600 Alaskans, most of whom live and work in coastal communities. Thank you for this opportunity to testify today on H.R. 701 and H.R. 798, two bills before the Resources Committee to use Outer Continental Shelf (OCS) oil and gas revenues to serve conservation and coastal communities. We would first like to thank you for the important past work you have done for the protection of Bristol Bay through the annual OCS moratorium. With regard to these two new bills, we find very good elements in both.

Our members come from diverse cultural and economic backgrounds. What we have in common is that our livelihoods and ways of life are closely tied to coastal and marine resources. Our members include commercial fishermen and recreational fishermen, subsistence hunters and fishermen, small business owners, guides, marine biologists, fishery observers, parents, and tribal leaders. In preparing for this hearing, one fisherman said to me, "We wouldn't live here and we won't be able to stay without abundant resources. They make us who we are." Although the personal interests in marine resources may vary, we share a dependence on and commitment to healthy marine ecosystems.

We want to thank the House Resources Committee for considering new legislation for funding coastal conservation. America's coastal environment is in need of careful attention. In Alaska we are witnessing disturbing changes in the environment that are cause for great concern: coastal people are observing huge seabird die-offs; certain marine mammal and seabird populations have declined dramatically; killer whales appear to have increased in the Aleutian Islands and are preying on new species such as sea otters; sea ice is thinner changing the habitat for ice-dependent marine mammals and presenting dangers for subsistence hunters who travel on ice; many commercially harvested fish stocks are dropping in abundance at a time when markets are poor and fishermen are struggling; new algae blooms are taking over large water masses. In the western Gulf of Alaska, the once prized red king crab population collapsed in the early 1980s and has yet to show signs of recovery at the same time that bycatch of these crabs goes unchecked. These changes call for better scientific understanding and long-term initiatives to guide management of our resources. For these reasons we believe dependable funding for ocean conservation plans is badly needed and we want to work with you to shape legislation that will accomplish this goal most effectively.

There are two aspects to the legislation before you that we want to address: Dedicated funds for marine conservation and OCS revenue sharing.

1. Dedicated Funds For Marine Conservation

AMCC believes any OCS legislation would serve our communities better by including dedicated funds for the conservation of living marine resources and marine habitat. We strongly support the approach taken in H.R. 798. Title VI of this bill, Living Marine Resources Conservation, Restoration and Management Assistance, dedicates $300 million for living marine resources and marine habitat. Mr. Chairman, although H.R. 701 allows for funds to be spent for such marine conservation purposes, we believe any OCS legislation should include a provision that establishes a dedicated permanent fund.

Such a fund would support the State of Alaska in the development and execution of plans to meet these challenges for state managed species (such as Gulf of Alaska crab that are in dire need of recovery) and for federally-managed species that are deferred to the State (such as Bering Sea crab, scallops and salmon). The State also has responsibilities related to the essential fish habitat and bycatch reduction requirements in the Magnuson- Stevens Act that this fund could help support. We are not suggesting this money be used to fund existing Federal programs, but rather to support complimentary efforts for which the State is responsible.

Without some dedicated support, effective implementation of these important conservation provisions you championed in the 1996 reauthorization of the Magnuson Act are in some danger of slipping through the cracks as a result of so much needed work going unfunded. These marine fisheries are what have sustained our coastal communities for many years and we should focus available OCS funds on maintaining them.

Our communities and the future of our fisheries will bear the burden if conservation needs are not met. We see the approach taken in Title VI of H.R. 798 as a way to improve and strengthen our fisheries and the ecosystem they need to thrive.

2. OCS Revenue Sharing

We support the intent in both bills to share a percentage of revenues from OCS activities with coastal states and communities as a matter of public policy. We recommend, however, that the Committee eliminate provisions that function as inducements to local governments to choose new OCS leasing. Many of our communities have longstanding concerns about offshore oil and gas development in and near valuable fishing grounds and traditional subsistence hunting areas. Last week Alaskans recognized the 10th anniversary of the Exxon Valdez oil spill, a constant reminder of the risks we take and the values we have to weigh in our own communities when faced with potential offshore oil and gas development. We appreciate the stated intent of H.R. 701 that the bill not function as an incentive to new leasing and wish to recommend some changes to ensure that this intent is clearly met.

As H.R. 701 is currently drafted, communities within lease sale areas will be eligible for lease sale monies and bonus bids before actual drilling occurs. The amount of revenue for communities is tied to the community's proximity to new leases. We believe local communities should receive assistance when impacts occur from OCS activities. However, offering financial reward for new leasing undermines the ability of coastal communities to participate in the OCS decision-making process without bias. We recommend this link be modified to provide for a better process at the community level that does not place one industry over another. Mr. Chairman, it is very important that each community consider economic growth that is compatible with our fisheries of today and the recovery of fisheries that are in trouble. The various economic options need to be considered on a level playing field.

We appreciate that H.R. 701 does not directly link revenues to new leases in OCS moratoria areas, such as Bristol Bay, but there are many other areas potentially facing new lease sales that are not protected by the OCS moratorium.

Again, Mr. Chairman, we want to thank you and Congressman Miller, for developing these bills. We very much appreciate your long-standing support for the Bristol Bay OCS moratorium and the historic 1996 Magnuson-Stevens Act conservation provisions. Both of these achievements contribute in important ways to a wise long-term approach to the management of those resources vital to the fishing industry and our communities more broadly. It is a great honor for me to represent the concerns of Alaskans who live on the coast and want to leave the great marine fisheries legacy to the next generation of coastal peoples. We would be happy to work with you and your Committee further as the OCS legislation moves forward. Thank you for this opportunity to testify.

STATEMENT OF JOHN SCHOEN, EXECUTIVE DIRECTOR OF THE ALASKA STATE OFFICE, NATIONAL AUDUBON SOCIETY

Mr. Chairman and Committee members:

I want to thank you for the invitation to testify today on H.R. 701 and H.R. 798. My name is John Schoen. I am the Director of the Alaska State Office of the National Audubon Society. Prior to my work with Audubon, I spent over 20 years as a professional wildlife biologist in Alaska working on big game, nongame, and endangered species.

Mr. Chairman, the introduction of these two bills and their companion bills in the Senate highlights conservation opportunities that have gone wanting for decades. I am very pleased to see the cooperation between you and Congressman Miller in looking for the common ground between your two bills. We encourage you to continue working constructively together to craft legislation that will significantly enhance fish and wildlife conservation and outdoor recreation across America.

I believe that the concepts embodied in H.R. 701, the Conservation and Reinvestment Act of 1999 and H.R. 798, the Permanent Protection for America's Resources 2000 Act, can bring tremendous benefits to conservation programs throughout the United States. There are elements of both bills that Audubon strongly supports. Each would establish permanent funding mechanisms for the purchase of conservation and recreation lands as well as much needed wildlife conservation and outdoor recreation programs. Although there are other aspects these bill address, I will focus most of my comments on the titles that deal with wildlife conservation and lands acquisition. Both these bills, their counterparts in the Senate, and the administration's "Lands Legacy Legislation for FY 2000 and Beyond," have broad support demonstrating substantial public interest for investing in permanent protection of our environmental heritage.

As you know Mr. Chairman, the State of Alaska assembled the largest state coalition in the country supporting the original Teaming With Wildlife Initiative. Both H.R. 701 and H.R. 798 include major funding for state-based wildlife conservation and outdoor recreation that was addressed by the Teaming With Wildlife Initiative and they have enormous potential for addressing our significant conservation and recreation needs here in Alaska. As a former state wildlife biologist, I know how important this funding is for our state.

For example, there is little funding available in Alaska for state nongame conservation or wildlife viewing programs. An investment now, however, could help us avoid future conservation problems requiring costly, reactive management. And funding is necessary for enhancing Alaska's wildlife viewing opportunities which is clearly a sound investment for the state's valuable visitor industry. There are elements in both bills before your Committee that have significant potential to bring important conservation, recreation, and economic benefits to the State of Alaska.

As you work to refine and improve this legislation Mr. Chairman, the National Audubon Society believes there are four principles that need to be adhered to in the final bill.

First, this legislation should not provide incentives for new Outer Continental Shelf oil and gas development. Additionally, funding for coastal impact assistance should focus on environmental protection and marine conservation and avoid projects that result in environmental impacts.

Second, it must be very clear that new money made available for state-based wildlife conservation should be substantially focused on non-game species. Traditionally, most state conservation funding has been directed toward species that are hunted and fished. This legislation needs to fill the missing link in wildlife conservation throughout the United States. The original concept of the Teaming With Wildlife initiative was to dedicate funding for nongame wildlife conservation, wildlife education, and wildlife-related recreation. We strongly encourage you and your Committee to craft a bill that clearly addresses those significant needs.

Third, annual funding should be made available on a permanent basis. Annual funding should not be required to go through the normal appropriations process.

Fourth, the Land and Water Conservation Fund should receive a minimum of $900 million each year split equally between Federal and stateside programs. We also recommend against geographic restrictions or inholding requirements placed on expenditures of Federal funds. We believe these funds should be available for use on all current and future national wildlife refuges.

In addition, both bills would fund incentives for endangered species conservation on non-Federal lands. We support incentives to landowners who take positive steps to protect endangered and threatened species and their habitats. We recommend, however, that such incentives be carefully crafted to ensure that funded activities contribute to the recovery of imperiled species not just compliance with the law.

The National Audubon Society has previously endorsed H.R. 798 as introduced by Congressman Miller. However, we also recognize and appreciate many of the positive elements of your bill, H.R. 701, and are interested in working constructively with you and your Committee as this legislation is further developed and refined.

Mr. Chairman, I am very pleased and heartened that you and Congressman Miller have been working hard to find the common ground between your two bills. This is good news for the American public and the wildlife and wildlands we all enjoy. I firmly believe that by working constructively together your Committee will succeed in crafting truly landmark legislation that will bring incredible benefits to fish and wildlife conservation and outdoor recreation across America.

Finally, I believe this hearing today sets in motion a funding process that will ultimately provide billions of dollars for conservation. Protecting birds, other wildlife, and their habitats, and investing in outdoor recreation and education will leave our nation an important legacy for which we can all be proud.

Thank you for your efforts on this significant legislation.

106TH CONGRESS
1ST SESSION

H. R. 701

To provide Outer Continental Shelf Impact Assistance to State and local governments, to amend the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act of 1978, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1999

Mr. YOUNG of Alaska (for himself, Mr. DINGELL, Mr. TAUZIN, Mr. JOHN, Mr. BAKER, Mr. RANGEL, Mr. CHAMBLISS, Mr. PETERSON of Minnesota, Mr. ROGERS, Mr. TANNER, Mr. LIVINGSTON, Mr. LAMPSON, Mr. MCCRERY, Mr. TOWNS, Mr. GOSS, Mr. KILDEE, Mr. NORWOOD, Mr. SHOWS, Mr. HILLIARD, Mr. SESSIONS, Mr. LUTHER, Mr. ROEMER, Ms. MCCARTHY of Missouri, Mr. WEYGAND, Mr. WELLER, Mr. WATKINS, Mr. JEFFERSON, Ms. LEE, Mr. COOKSEY, Mr. HOLDEN, Mr. BASS, and Ms. EDDIE BERNICE JOHNSON of Texas) introduced the following bill; which was referred to the Committee on Resources

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A BILL

To provide Outer Continental Shelf Impact Assistance to State and local governments, to amend the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act of 1978, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Conservation and Reinvestment Act of 1999".

TITLE I—OUTER CONTINENTAL SHELF IMPACT ASSISTANCE

SEC. 101. FINDINGS.

The Congress finds and declares that—

(1) the Nation owns valuable mineral assets that are located both onshore and on the Federal Outer Continental Shelf and the policy of the Federal Government is to develop those resources for the benefit of the Nation, under certain restrictions that are designed to prevent environmental damage and other adverse impacts;

(2) development of these resources of the Nation is accompanied by unavoidable environmental impacts and public service impacts in the States that host this development whether the development occurs onshore or on the Federal Outer Continental Shelf;

(3) the Federal Government has a responsibility to assist States that host the development of Federal mineral assets to mitigate adverse environmental

1 and public service impacts incurred due to that de-
2 velopment;
3 (4) the Federal Government discharges its re-
4 sponsibility to States that host onshore Federal min-
5 eral development by sharing 50 percent of the reve-
6 nue derived from the mineral development with the
7 host State pursuant to section 35 of the Mineral
8 Leasing Act;
9 (5) today Federal mineral development is occur-
10 ring as far as 200 miles offshore and occurs off the
11 coasts of only 6 States and section 8(g) of the Outer
12 Continental Shelf Lands Act does not adequately
13 compensate these States for the onshore impacts of
14 the offshore Federal mineral development;
15 (6) Federal Outer Continental Shelf mineral de-
16 velopment is an important and secure source of our
17 Nation's supply of oil and natural gas;
18 (7) the Outer Continental Shelf Advisory Com-
19 mittee of the Department of the Interior, consisting
20 of representatives of coastal States, recommended in
21 October 1997, that Federal mineral revenue derived
22 from the entire Outer Continental Shelf be shared
23 with all coastal States and territories to mitigate on-
24 shore impacts from Federal offshore mineral devel-
25 opment and for other environmental mitigation;

1 (8) Federal mineral assets are a nonrenewable,
2 capital asset of the Nation; the production and sale
3 of this asset produces revenue to the Nation that is
4 also a capital asset of the Nation; thus, a portion of
5 the revenue derived from the production and sale of
6 Federal minerals should be reinvested in the Nation
7 through environmental mitigation and public service
8 improvements; and
9 (9) it is fair to share a portion of the revenue
10 derived from Federal Outer Continental Shelf pro-
11 duction with the impacted States; and an emphasis
12 on where this production takes place should not be
13 construed as incentive for development.
14 **SEC. 102. DEFINITIONS.**
15 For purposes of this title:
16 (1) The term "allocable share" means, for a
17 coastal State, that portion of revenue that is allo-
18 cated to that coastal State under section 103(c). For
19 an eligible political subdivision of a coastal State,
20 such term means that portion of revenue that is allo-
21 cated to that political subdivision under section
22 103(c).
23 (2) The term "coastal population" means the
24 population of all political subdivisions, as determined
25 by the most recent official data of the Census Bu-

1 reau, contained in whole or in part within the des-
2 ignated coastal boundary of a State as defined in a
3 State's coastal zone management program under the
4 Coastal Zone Management Act (16 U.S.C. 1455).
5 (3) The term "coastal State" means any State
6 of the United States bordering on the Atlantic
7 Ocean, the Pacific Ocean, the Arctic Ocean, the Ber-
8 ing Sea, the Gulf of Mexico, or any of the Great
9 Lakes, Puerto Rico, Guam, American Samoa, the
10 Virgin Islands, and the Commonwealth of the North-
11 ern Mariana Islands.
12 (4) The term "coastline" has the same meaning
13 that it has in the Submerged Lands Act (43 U.S.C.
14 1301 et seq.).
15 (5) The term "distance" means minimum great
16 circle distance, measured in statute miles.
17 (6) The term "eligible political subdivision"
18 means a political subdivision of a coastal State
19 which political subdivision has a seaward boundary
20 that lies within a distance of 200 miles from the ge-
21 ographic center of any leased tract. The Secretary
22 shall annually provide a list of all eligible political
23 subdivisions of each coastal State to the Governor of
24 such State.

1 (7) The term "fiscal year" means the Federal
2 Government's accounting period which begins on Oc-
3 tober 1st and ends on September 30th, and is des-
4 ignated by the calendar year in which it ends.
5 (8) The term "Governor" means the highest
6 elected official of a coastal State.
7 (9) The term "leased tract" means a tract,
8 leased under section 8 of the Outer Continental
9 Shelf Lands Act (43 U.S.C. 1337) for the purpose
10 of drilling for, developing and producing oil and nat-
11 ural gas resources, which is a unit consisting of ei-
12 ther a block, a portion of a block, a combination of
13 blocks and/or portions of blocks, as specified in the
14 lease, and as depicted on an Outer Continental Shelf
15 Official Protraction Diagram.
16 (10) The term "Outer Continental Shelf"
17 means all submerged lands lying seaward and out-
18 side of the area of "lands beneath navigable waters"
19 as defined in section 2(a) of the Submerged Lands
20 Act (43 U.S.C. 1301(a)), and of which the subsoil
21 and seabed appertain to the United States and are
22 subject to its jurisdiction and control.
23 (11) The term "political subdivision" means the
24 local political jurisdiction immediately below the level
25 of State government, including counties, parishes,

1 and boroughs. If State law recognizes an entity of
2 general government that functions in lieu of, and is
3 not within, a county, parish, or borough, the Sec-
4 retary may recognize an area under the jurisdiction
5 of such other entities of general government as a po-
6 litical subdivision for purposes of this title.
7 (12) The term "qualified Outer Continental
8 Shelf revenues" means all moneys received by the
9 United States from each leased tract or portion of
10 a leased tract lying seaward of the zone defined and
11 governed by section 8(g) of the Outer Continental
12 Shelf Lands Act (43 U.S.C. 1337(g)), or lying with-
13 in such zone but to which section 8(g) does not
14 apply, the geographic center of which lies within a
15 distance of 200 miles from any part of the coastline
16 of any coastal State, including bonus bids, rents,
17 royalties (including payments for royalty taken in
18 kind and sold), net profit share payments, and relat-
19 ed late-payment interest from natural gas and oil
20 leases issued pursuant to the Outer Continental
21 Shelf Lands Act.
22 (13) The term "Secretary" means the Secretary
23 of the Interior or the Secretary's designee.

1 (14) The term "the Fund" means the Outer
2 Continental Shelf Impact Assistance Fund estab-
3 lished under section 103(a).

4 **SEC. 103. IMPACT ASSISTANCE FORMULA AND PAYMENTS.**

5 (a) ESTABLISHMENT OF FUND.—(1) There is estab-
6 lished in the Treasury of the United States a fund which
7 shall be known as the "Outer Continental Shelf Impact
8 Assistance Fund". The Secretary shall deposit in the
9 Fund in this section 27 percent of the qualified Outer
10 Continental Shelf revenues.

11 (2) No revenues shall be placed in the Fund from
12 a leased tract or portion of a leased tract that is located
13 in a geographic area subject to a leasing moratorium on
14 January 1, 1999, unless the lease was issued prior to the
15 establishment of the moratorium and was in production
16 on January 1, 1999.

17 (3) The Secretary of the Treasury shall invest mon-
18 eys in the Fund that are excess to expenditures at the
19 written request of the Secretary, in public debt securities
20 with maturities suitable to the needs of the Fund, as de-
21 termined by the Secretary, and bearing interest at rates
22 determined by the Secretary of the Treasury, taking into
23 consideration current market yields on outstanding mar-
24 ketable obligations of the United States of comparable ma-
25 turity. All interest earned on such moneys shall be avail-

1 able, without further appropriation, for obligation or ex-
2 penditure under chapter 69 of title 31 of the United States
3 Code (relating to PILT) or under section 401 of the Act
4 of June 15, 1935 (49 Stat. 383; 16 U.S.C. 715s).

5 (b) PAYMENT TO STATES.—Notwithstanding section
6 9 of the Outer Continental Shelf Lands Act (43 U.S.C.
7 1338), the Secretary shall, without further appropriation,
8 make payments in each fiscal year to coastal States and
9 to eligible political subdivisions equal to the amount depos-
10 ited in the Fund for the prior fiscal year (reduced by any
11 refunds paid under section 106(b) and not including any
12 interest earned as provided in subsection (a)(3)). Such
13 payments shall be allocated among the coastal States and
14 eligible political subdivisions as provided in this section.

15 (c) DETERMINATION OF STATES' ALLOCABLE
16 SHARES.—

17 (1) ALLOCABLE SHARE FOR EACH STATE.—For
18 each coastal State, the Secretary shall determine the
19 State's allocable share of the total amount of the
20 revenues deposited in the Fund for each fiscal year
21 using the following weighted formula:

22 (A) 50 percent of such revenues shall be
23 allocated to each State as provided in para-
24 graph (2).

1 (B) 25 percent of such revenues shall be
2 allocated to each State based on the ratio of
3 each State's shoreline miles to the shoreline
4 miles of all coastal States.
5 (C) 25 percent of such revenues shall be
6 allocated to each State based on the ratio of
7 each State's coastal population to the coastal
8 population of all coastal States.
9 (2) OFFSHORE OUTER CONTINENTAL SHELF
10 PRODUCTION SHARE.—If any portion of a coastal
11 State lies within a distance of 200 miles from the
12 geographic center of any leased tract, such State
13 shall receive part of its allocable share under para-
14 graph (1)(A) based on the Outer Continental Shelf
15 oil and gas production offshore of such State. Such
16 part of its allocable share shall be inversely propor-
17 tional to the distance between the nearest point on
18 the coastline of such State and the geographic center
19 of each leased tract or portion of the leased tract (to
20 the nearest whole mile), as determined by the Sec-
21 retary. In applying this paragraph a leased tract or
22 portion of a leased tract shall be excluded if the
23 tract or portion is located in a geographic area sub-
24 ject to a leasing moratorium on January 1, 1999,
25 unless the lease was issued prior to the establish-

1 ment of the moratorium and was in production on
2 January 1, 1999.
3 (3) MINIMUM STATE SHARE.—
4 (A) IN GENERAL.—The allocable share of
5 revenues determined by the Secretary under
6 this subsection for each coastal State with an
7 approved coastal management program (as de-
8 fined by the Coastal Zone Management Act (16
9 U.S.C. 1451)) or which is making satisfactory
10 progress toward one shall not be less than 0.50
11 percent of the total amount of the revenues de-
12 posited in the Fund for each fiscal year. For
13 any other coastal State the allocable share of
14 such revenues shall not be less than 0.25 per-
15 cent of such revenues.
16 (B) RECOMPUTATION.—Where one or
17 more coastal States' allocable shares, as com-
18 puted under paragraph (1) and (2), are in-
19 creased by any amount under this paragraph,
20 the allocable share for all other coastal States
21 shall be recomputed and reduced by the same
22 amount so that not more than 100 percent of
23 the amount deposited in the fund is allocated to
24 all coastal States. The reduction shall be di-
25 vided pro rata among such other coastal States.

1 (d) PAYMENTS TO STATE.—50 percent of each
2 State's allocable share, as determined under subsection
3 (c), shall be paid to the State, except that in the case of
4 a coastal State in which there is no eligible political sub-
5 division, 100 percent of the State's allocable share, as de-
6 termined under subsection (c), shall be paid to the State.
7 (e) PAYMENTS TO POLITICAL SUBDIVISIONS.—50
8 percent of each State's allocable share, as determined
9 under subsection (c), shall be paid to the eligible political
10 subdivisions in such State. Such payments shall be allo-
11 cated among the eligible political subdivisions of the State
12 according to ratios that are inversely proportional to the
13 distance between the nearest point on the seaward bound-
14 ary of each such eligible political subdivision and the geo-
15 graphic center of each leased tract or portion of the leased
16 tract (to the nearest whole mile), as determined by the
17 Secretary.
18 (f) TIME OF PAYMENT.—(1) Payments to coastal
19 States and eligible political subdivisions under this section
20 shall be made not later than December 31 of each year
21 from revenues received during the immediately preceding
22 fiscal year. Payment shall not commence before the date
23 12 months following the date of enactment of this Act.
24 (2) Any amount in the Fund not paid to coastal
25 States and eligible political subdivisions under this section

1 in any fiscal year shall be disposed of according to the
2 law otherwise applicable to receipts from leases on the
3 Outer Continental Shelf.

4 **SEC. 104. USES OF FUNDS.**

5 Funds received pursuant to this title shall be used
6 by the coastal States and eligible political subdivisions for
7 the following projects and activities:

8 (1) Air quality, water quality, fish and wildlife
9 (including cooperative or contract research on ma-
10 rine fish), wetlands, or other coastal and estuarine
11 resources.

12 (2) Other activities of such State or political
13 subdivision, authorized by the Coastal Zone Manage-
14 ment Act of 1972 (16 U.S.C. 1451 et seq.), the pro-
15 visions of subtitle B of title IV of the Oil Pollution
16 Act of 1990 (104 Stat. 523), or the Federal Water
17 Pollution Control Act (33 U.S.C. 1251 et seq.).

18 (3) Administrative and planning costs of com-
19 plying with the provisions of this subtitle. Up to one
20 percent of the amounts made available to any State
21 in any fiscal year under this title may be used for
22 purposes of administrative costs.

23 (4) Uses related to the Outer Continental Shelf
24 Lands Act.

1 (5) Mitigating impacts of Outer Continental
2 Shelf activities including onshore infrastructure and
3 public service needs.

4 **SEC. 105. OBLIGATIONS OF STATES AND ELIGIBLE POLITI-**
5 **CAL SUBDIVISIONS.**

6 (a) STATE PLANS.—Within 1 year after the date of
7 enactment of this Act, the Governor of every State eligible
8 to receive moneys from the Fund shall develop a State
9 plan for the use of such moneys and shall certify the plan
10 to the Secretary. The plan shall be developed with public
11 participation and shall include the plan for the use of such
12 funds by every political subdivision of the State eligible
13 to receive moneys from the Fund. The Governor shall cer-
14 tify to the Secretary that the plan was developed with pub-
15 lic participation and in accordance with all applicable
16 State laws. The Governor shall amend the plan, as nec-
17 essary, with public participation, but not less than every
18 5 years.

19 (b) PROJECT SUBMISSION.—Prior to receiving funds
20 pursuant to this title for any fiscal year, an eligible politi-
21 cal subdivision shall submit to the Governor of the State
22 in which it is located a plan setting forth the projects and
23 activities for which the eligible political subdivision pro-
24 poses to expend such funds. Such plan shall state the

1 amounts proposed to be expended for each project or activ-
2 ity during the upcoming fiscal year.

3 (c) PROJECT APPROVAL.—Prior to the payment of
4 funds pursuant to this title to any eligible political subdivi-
5 sion for any fiscal year, the Governor must approve the
6 plan submitted by the eligible political subdivision pursu-
7 ant to subsection (b) and notify the Secretary of such ap-
8 proval. State approval of any such plan shall be consistent
9 with all applicable State and Federal law. In the event
10 the Governor disapproves any such plan, the funds that
11 would otherwise be paid to the eligible political subdivision
12 shall be placed in escrow by the Secretary pending modi-
13 fication and approval of such plan, at which time such
14 funds together with interest thereon shall be paid to the
15 eligible political subdivision. Any eligible political subdivi-
16 sion that fails to receive approval from the Governor of
17 such plan may appeal to the Secretary and the Secretary
18 may approve or disapprove such plan based on the eligible
19 uses set forth in section 104.

20 (d) CERTIFICATION.—Not later than 60 days after
21 the end of the fiscal year, any eligible political subdivision
22 receiving funds under this title shall certify to the
23 Governor—

24 (1) the amount of such funds expended by the
25 political subdivision during the previous fiscal year;

1 (2) the amounts expended on each project or
2 activity;
3 (3) a general description of how the funds were
4 expended; and
5 (4) the status of each project or activity.
6 The certification under paragraph (4) shall include a cer-
7 tification that a project or activity is consistent with the
8 State plan developed under subsection (a).

9 **SEC. 106. ANNUAL REPORT; REFUNDS.**

10 (a) REPORT.—On June 15 of each year, the Governor
11 of each State receiving moneys from the Fund under this
12 title shall account for all moneys so received for the pre-
13 vious fiscal year in a written report to the Secretary and
14 the Congress. The report shall include a description of all
15 projects and activities receiving funds under this title, in-
16 cluding all information required under section 105(c).
17 (b) REFUNDS.—In those instances where through ju-
18 dicial decision, administrative review, arbitration, or other
19 means there are royalty refunds owed to entities generat-
20 ing revenues under this title, 27 percent of such refunds
21 shall be paid from amounts available in the Fund.

TITLE II—STATE, LOCAL, AND URBAN CONSERVATION AND RECREATION

SEC. 201. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The Land and Water Conservation Fund Act of 1965 embodied a concept that a portion of the proceeds from Outer Continental Shelf mineral leasing revenues and the depletion of a nonrenewable natural resource should result in a legacy of places accessible to the public for conservation and public recreation and benefit from resources belonging to all people, of all generations, and the enhancement of the most precious and most renewable natural resource of any nation, healthy and active citizens.

(2) The States and local governments were to occupy a pivotal role in accomplishing the purposes of the Land and Water Conservation Act of 1965 and the Act originally provided an equitable portion of funds to the States, and through them, to local governments.

(3) Because of competition for funding and the limited availability of Federal moneys, the original intention of the Land and Water Conservation Fund Act of 1965 has been abandoned and, in recent

1 years, States have not received an equitable propor-
2 tion of direct funding.
3 (4) With population growth and urban sprawl,
4 the demand for conservation and recreation areas at
5 the State and local level, including urban localities,
6 remains a high priority.
7 (5) There has been an increasing need for Fed-
8 eral moneys to be made available for Federal pur-
9 poses under the Land and Water Conservation Fund
10 Act of 1965, with lands identified as important for
11 Federal acquisition not being acquired for several
12 years due to insufficient funds.
13 (b) PURPOSE.—The purpose of this title is to com-
14 plement State, local, and private commitments envisioned
15 in the Land and Water Conservation Fund Act of 1965
16 and the Urban Park and Recreation Recovery Act of 1978
17 by providing grants for State, local, and urban conserva-
18 tion and recreation needs, and to provide a secure source
19 of Federal purposes under the Land and Water Conserva-
20 tion Fund Act of 1965.

21 **SEC. 202. FUNDING FOR STATE, LOCAL, AND URBAN CON-**
22 **SERVATION AND RECREATION.**

23 (a) REVENUES.—Section 2 of the Land and Water
24 Conservation Fund Act of 1965 (16 U.S.C. 460l–5(c)(1))
25 is amended by redesignating paragraph (1) of subsection

1 (c) as subsection (d) and by amending subsection (c) to
2 read as follows:
3 "(c) OUTER CONTINENTAL SHELF REVENUES.—(1)
4 23 percent of the qualified Outer Continental Shelf reve-
5 nues (as defined in section 102 of the Conservation and
6 Reinvestment Act of 1999) shall also be credited to a sepa-
7 rate account in the Land and Water Conservation Fund
8 in the Treasury in each fiscal year through September 30,
9 2015. Revenues covered into the fund under this sub-
10 section shall be available, without further appropriation,
11 in the next succeeding fiscal year to carry out this Act.
12 To the extent that such revenues in a fiscal year exceed
13 $900,000,000, such excess shall be available, without fur-
14 ther appropriation, in the next succeeding fiscal year for
15 obligation or expenditure under chapter 69 of title 31 of
16 the United States Code (relating to PILT) or under sec-
17 tion 401 of the Act of June 15, 1935 (49 Stat. 383; 16
18 U.S.C. 715s).
19 "(2) The Secretary of the Treasury shall invest mon-
20 eys in the separate account that are excess to expenditures
21 at the written request of the Secretary, in public debt se-
22 curities with maturities suitable to the needs of the Fund,
23 as determined by the Secretary, and bearing interest at
24 rates determined by the Secretary of the Treasury, taking
25 into consideration current market yields on outstanding

1 marketable obligations of the United States of comparable
2 maturity. All interest earned on such moneys shall be
3 available, without further appropriation, for obligation or
4 expenditure under chapter 69 of title 31 of the United
5 States Code (relating to PILT) or under section 401 of
6 the Act of June 15, 1935 (49 Stat. 383; 16 U.S.C.
7 715s).".

8 (b) CONFORMING AMENDMENT.—Section 3 of the
9 Land and Water Conservation Fund Act of 1965 (16
10 U.S.C. 460l–6) is amended by striking "Moneys" and in-
11 serting "Except as provided under section 2(c), moneys".

12 (c) ALLOCATION OF FUNDS.—Section 5 of the Land
13 and Water Conservation Fund Act of 1965 (16 U.S.C.
14 460l–7) is amended as follows:

15 (1) By striking "ALLOCATION" and inserting
16 "(a) IN GENERAL" after "SEC 5.".

17 (2) By striking the second sentence and all that
18 follows down through the period at the end thereof.

19 (3) By adding at the end the following new sub-
20 section at the end:

21 "(b) ALLOCATION.—Amounts available in the fund
22 under section 2(c)(1) of this Act (16 U.S.C. 460l–5(c)(1))
23 for obligation or expenditure may be obligated or expended
24 only as follows—

1 "(1) 42 percent shall be available for Federal
2 purposes, 25 percent of which shall be made avail-
3 able to the Secretary of Agriculture for the acquisi-
4 tion of lands, waters, or interests in land or water
5 solely within the exterior boundaries of areas of the
6 National Forest System or any other land manage-
7 ment unit established by Act of Congress and man-
8 aged by the Secretary of Agriculture (notwithstand-
9 ing the first proviso of section 7(1)), and 75 percent
10 of which shall be available to the Secretary of the
11 Interior for the acquisition of lands, waters, or inter-
12 ests in land or water solely within the exterior
13 boundaries of areas of the National Park System,
14 National Wildlife Refuge System, or any other land
15 management unit established by Act of Congress
16 and managed by the Secretary of the Interior. At
17 least ⅔ of the moneys available under this subpara-
18 graph for Federal purposes shall be spent east of the
19 100th meridian. Up to one percent of the amounts
20 made available in any fiscal year under this para-
21 graph may be used for administration. No moneys
22 available under this paragraph for Federal purposes
23 shall be used for condemnation of any interest in
24 property.

1 "(2) 42 percent shall be available for financial
2 assistance to the States under section 6 of this Act
3 (16 U.S.C. 460l–8) distributed according to the fol-
4 lowing allocation formula:
5 "(A) 60 percent shall be apportioned
6 equally among the States.
7 "(B) 20 percent shall be apportioned on
8 the basis of the ratio which the population of
9 each State bears to the total population of all
10 States.
11 "(C) 20 percent shall be apportioned on
12 the basis of the ratio which the acreage of each
13 State bears to the total acreage of all States.
14 Up to one percent of the amounts made available in
15 any fiscal year under this paragraph may be used
16 for administration.
17 "(3) 16 percent shall be available to local gov-
18 ernments through the Urban Parks and Recreation
19 Recovery Program (16 U.S.C. 2501–2514) of the
20 Department of the Interior. Up to one percent of the
21 amounts made available in any fiscal year under this
22 paragraph may be used for administration.".
23 (d) TRIBES AND ALASKA NATIVE VILLAGE COR-
24 PORATIONS.—Section 6(b)(5) of the Land and Water Con-

1 servation Fund Act of 1965 (16 U.S.C. 460l–8(b)(5)) is
2 amended as follows:
3 (1) By inserting "(A)" after "(5)".
4 (2) By adding at the end the following new sub-
5 paragraph:
6 "(B) For the purposes of paragraph (1),
7 all federally recognized Indian tribes and Alas-
8 ka Native Village Corporations (as defined in
9 section 3(j) of the Alaska Native Claims Settle-
10 ment Act (43 U.S.C. 1602(j)) shall be treated
11 collectively as 1 State, and shall receive shares
12 of the apportionment under paragraph (1) in
13 accordance with a competitive grant program
14 established by the Secretary by rule. Such rule
15 shall ensure that in each fiscal year no single
16 tribe or Village Corporation receives more than
17 10 percent of the total amount made available
18 to all tribes and Village Corporations pursuant
19 to the apportionment under paragraph (1).
20 Funds received by an Indian tribe or Village
21 Corporation under this subparagraph may be
22 expended only for the purposes specified in
23 paragraphs (1) and (3) of subsection (b).".
24 (e) LOCAL ALLOCATION.—Section 6(b) of the Land
25 and Water Conservation Fund Act of 1965 (16 U.S.C.

1 460l–8(b)) is amended by adding the following new para-
2 graph at the end:

3 "(6) Absent some compelling and annually doc-
4 umented reason to the contrary acceptable to the
5 Secretary of the Interior, each State (other than an
6 area treated as a State under paragraph (5)) shall
7 make available as grants to local governments, at
8 least 50 percent of the annual State apportionment,
9 or an equivalent amount made available from other
10 sources.".

11 (f) MATCH.—Subsection 6(c) of the Land and Water
12 Conservation Fund Act of 1965 (16 U.S.C. 460l–8(c)) is
13 amended to read as follows:

14 "(c) MATCHING REQUIREMENTS.—Payments to any
15 State shall cover not more than 50 percent of the cost
16 of outdoor conservation and recreation planning, acquisi-
17 tion, or development projects that are undertaken by the
18 State.".

19 (g) STATE ACTION AGENDA.—(1) Section 6(d) of the
20 Land and Water Conservation Fund Act of 1965 (16
21 U.S.C. 460l–8(d)) is amended to read as follows:

22 "(d) STATE ACTION AGENDA REQUIRED.—Each
23 State may define its own priorities and criteria for selec-
24 tion of outdoor conservation and recreation acquisition
25 and development projects eligible for grants under this Act

1 so long as it provides for public involvement in this process
2 and publishes an accurate and current State Action Agen-
3 da for Community Conservation and Recreation (in this
4 Act referred to as the 'State Action Agenda') indicating
5 the needs it has identified and the priorities and criteria
6 it has established. In order to assess its needs and estab-
7 lish its overall priorities, each State, in partnership with
8 its local governments and Federal agencies, and in con-
9 sultation with its citizens, shall develop, within 5 years
10 after the enactment of the Conservation and Reinvestment
11 Act of 1999, a State Action Agenda that meets the follow-
12 ing requirements:

13 "(1) The agenda must be strategic, originating
14 in broad-based and long-term needs, but focused on
15 actions that can be funded over the next 4 years.

16 "(2) The agenda must be updated at least once
17 every 4 years and certified by the Governor that the
18 State Action Agenda conclusions and proposed ac-
19 tions have been considered in an active public in-
20 volvement process.

21 State Action Agendas shall take into account all providers
22 of conservation and recreation lands within each State, in-
23 cluding Federal, regional, and local government resources
24 and shall be correlated whenever possible with other State,
25 regional, and local plans for parks, recreation, open space,

1 and wetlands conservation. Recovery action programs de-
2 veloped by urban localities under section 1007 of the
3 Urban Park and Recreation Recovery Act of 1978 shall
4 be used by a State as a guide to the conclusions, priorities,
5 and action schedules contained in State Action Agenda.
6 Each State shall assure that any requirements for local
7 outdoor conservation and recreation planning, promul-
8 gated as conditions for grants, minimize redundancy of
9 local efforts by allowing, wherever possible, use of the find-
10 ings, priorities, and implementation schedules of recovery
11 action programs to meet such requirements.".

12 (2) Comprehensive State Plans developed by any
13 State under section 6(d) of the Land and Water Conserva-
14 tion Fund Act of 1965 before the date 5 years after the
15 enactment of this Act shall remain in effect in that State
16 until a State Action Agenda has been adopted pursuant
17 to the amendment made by this subsection, but no later
18 than 5 years after the enactment of this Act.

19 (h) STATE PLANS.—Subsection 6(e) of Land and
20 Water Conservation Fund Act of 1965 (16 U.S.C. 460l–
21 8(e)) is amended as follows:

22 (1) By striking "State comprehensive plan" at
23 the end of the first paragraph and inserting "State
24 Action Agenda".

1 (2) By striking "State comprehensive plan" in
2 paragraph (1) and inserting "State Action Agenda".
3 (3) By striking "but not including incidental
4 costs related to acquisition" at the end of paragraph
5 (1).
6 (i) CONVERSION.—Paragraph (3) of section 6(f) of
7 the Land and Water Conservation Fund Act of 1965 (16
8 U.S.C. 460l–8(f)(3)) is amended by striking the second
9 sentence and inserting: "The Secretary shall approve such
10 conversion only if the State demonstrates no prudent or
11 feasible alternative exists with the exception of those prop-
12 erties that no longer meet the criteria within the State
13 Action Agenda as an outdoor conservation and recreation
14 facility due to changes in demographics or that must be
15 abandoned because of environmental contamination which
16 endangers public health and safety. Any conversion must
17 satisfy such conditions as the Secretary deems necessary
18 to assure the substitution of other conservation and recre-
19 ation properties of at least equal fair market value and
20 reasonably equivalent usefulness and location and which
21 are consistent with the existing State Action Agenda; ex-
22 cept that wetland areas and interests therein as identified
23 in the wetlands provisions of the action agenda and pro-
24 posed to be acquired as suitable replacement property
25 within that same State that is otherwise acceptable to the

1 Secretary shall be considered to be of reasonably equiva-
2 lent usefulness with the property proposed for conver-
3 sion.".

4 (j) COST LIMITATIONS.—Section 7 of the Land and
5 Water Conservation Fund Act of 1965 (16 U.S.C. 460l–
6 9) is amended by adding the following at the end thereof:

7 "(d) MAXIMUM FEDERAL COST PER PROJECT.—No
8 expenditure shall be made to acquire, construct, operate,
9 or maintain any project under this section, the total Fed-
10 eral cost of which exceeds $1,000,000 unless the funds
11 for such project have been specifically authorized by a sub-
12 sequently enacted law.".

13 **SEC. 203. URBAN PARK AND RECREATION RECOVERY ACT**
14 **OF 1978 AMENDMENTS.**

15 (a) GRANTS.—Section 1004 of the Urban Park and
16 Recreation Recovery Act (16 U.S.C. 2503) is amended by
17 redesignating subsections (d), (e), and (f) as subsections
18 (f), (g), and (h) respectively, and by inserting the following
19 after subsection (c):

20 "(d) 'development grants' means matching capital
21 grants to local units of government to cover costs of devel-
22 opment and construction on existing or new neighborhood
23 recreation sites, including indoor and outdoor recreation
24 facilities, support facilities, and landscaping, but excluding
25 routine maintenance and upkeep activities;

1 "(e) 'acquisition grants' means matching capital
2 grants to local units of government to cover the direct and
3 incidental costs of purchasing new park land to be perma-
4 nently dedicated and made accessible for public recreation
5 use;".

6 (b) ELIGIBILITY.—Section 1005(a) of the Urban
7 Park and Recreation Recovery Act (16 U.S.C. 2504) is
8 amended to read as follows:

9 "(a) Eligibility of general purpose local governments
10 to compete for assistance under this title shall be based
11 upon need as determined by the Secretary. Generally, the
12 list of eligible governments shall include the following:

13 "(1) All central cities of Metropolitan, Primary
14 or Consolidated Statistical Areas as currently de-
15 fined by the census.

16 "(2) All political subdivisions of a State in-
17 cluded in Metropolitan, Primary or Consolidated
18 Statistical Areas as currently defined by the census.

19 "(3) Any other city, town, or village within a
20 Metropolitan Statistical Area with a total population
21 of 50,000 or more in the census of 1970, 1980, or
22 subsequent updates.

23 "(4) Any other political subdivision of a State
24 with a total population of 250,000 or more in the
25 census of 1970, 1980, or subsequent updates.".

1 (c) MATCHING GRANTS.—Subsection 1006(a) of the
2 Urban Park and Recreation Recovery Act (16 U.S.C.
3 2505(a)) is amended by striking all through paragraph (3)
4 and inserting the following:

5 "SEC. 1006. (a) The Secretary is authorized to pro-
6 vide 70 percent matching grants for rehabilitation, innova-
7 tion, development, or acquisition to any eligible general
8 purpose unit of local government upon approval by the
9 Secretary of applications for such purpose by the chief ex-
10 ecutive of such a government.

11 "(1) At the discretion of such applicants, and
12 if consistent with an approved application, rehabili-
13 tation, innovation, development, or acquisition
14 grants may be transferred in whole or in part to
15 independent special purpose local governments, pri-
16 vate nonprofit agencies or political subdivisions or
17 regional park authorities; except that such general
18 purpose units of local government shall provide as-
19 surance to the Secretary that they will maintain
20 public recreation opportunities at assisted areas and
21 facilities owned or managed by them in accordance
22 with section 1010 of this Act.

23 "(2) Payments may be made only for those re-
24 habilitation, innovation, development, or acquisition
25 projects which have been approved by the Secretary.

1 Such payments may be made from time-to-time in
2 keeping with the rate of progress toward completion
3 of a project, on a reimbursable basis.".
4 (d) COORDINATION.—Section 1008 of the Urban
5 Park and Recreation Recovery Act (16 U.S.C. 2507) is
6 amended by striking the last sentence and inserting the
7 following: "The Secretary and general purpose local gov-
8 ernments are encouraged to coordinate preparation of re-
9 covery action programs required by this title with State
10 Action Agendas for Community Conservation and Recre-
11 ation required by section 6 of the Land and Water Con-
12 servation Fund Act of 1965, including the allowance of
13 flexibility in local preparation of recovery action programs
14 so that they may be used to meet State or local qualifica-
15 tions for local receipt of Land and Water Conservation
16 Fund grants or State grants for similar purposes or for
17 other conservation or recreation purposes. The Secretary
18 shall also encourage States to consider the findings, prior-
19 ities, strategies, and schedules included in the recovery ac-
20 tion programs of their urban localities in preparation and
21 updating of the State Action Agendas for Conservation
22 and Recreation, in accordance with the public coordination
23 and citizen consultation requirements of subsection 6(d)
24 of the Land and Water Conservation Fund Act of 1965."

1 (e) CONVERSION.—Section 1010 of the Urban Park
2 and Recreation Recovery Act (16 U.S.C. 2509) is amend-
3 ed by striking the first sentence and inserting the follow-
4 ing: "No property acquired or improved or developed
5 under this title shall, without the approval of the Sec-
6 retary, be converted to other than public recreation uses.
7 The Secretary shall approve such conversion only if the
8 grantee demonstrates no prudent or feasible alternative
9 exists (with the exception of those properties that are no
10 longer a viable recreation facility due to changes in demo-
11 graphics or must be abandoned because of environmental
12 contamination which endanger public health and safety).
13 Any conversion must satisfy any conditions the Secretary
14 deems necessary to assure the substitution of other con-
15 servation and recreation properties of at least equal mar-
16 ket value and reasonably equivalent usefulness and loca-
17 tion and which are in accord with the current conservation
18 and recreation recovery action program.".

19 (f) REPEAL.—Section 1014 of the Urban Park and
20 Recreation Recovery Act (16 U.S.C. 2513) is repealed.

21 **SEC. 204. OTHER RIGHTS PRESERVED.**

22 Nothing in this title shall be construed to limit any
23 right to compensation that exists under the Constitution
24 or other laws.

1 **SEC. 205. HABITAT RESERVE PROGRAM.**

2 (a) ESTABLISHMENT OF HABITAT RESERVE PRO-
3 GRAM.—There is hereby established within the Depart-
4 ment of the Interior a Habitat Reserve Program (HRP)
5 to be administered by the Secretary of the Interior in asso-
6 ciation with the applicable State fish and wildlife depart-
7 ment in the State where the affected land is located. The
8 Secretary shall enter into partnership agreements with the
9 State fish and wildlife department and owners and opera-
10 tors of lands suitable for enrollment on a voluntary basis,
11 under which the owners and operators manage the land
12 for the protection and enhancement of protected species
13 in exchange for incentive payments. Where the operator
14 of such land is not the owner, both the owner and the
15 operator must enter into the agreement.

16 (b) ELIGIBLE LANDS.—Lands eligible for enrollment
17 in the HRP shall be privately owned lands that have been
18 designated by the State agency as being necessary to pre-
19 serve the existence of 1 or more species listed pursuant
20 to the Endangered Species Act whose owners and opera-
21 tors have voluntarily entered into partnership agreements
22 with the Secretary and the State agency, and which have
23 been accepted for enrollment in accordance with this sec-
24 tion.

25 (c) LIMITATIONS ON LANDS ELIGIBLE FOR ENROLL-
26 MENT.—(1) The Secretary and State agency shall not

1 place under contract more than 25 percent of the land
2 or water in any one county at any one time, except to
3 the extent that the State agency determines, after public
4 comment, that doing so would not adversely affect the
5 local economy of the county.

6 (2) No contract shall be entered into under this sec-
7 tion concerning land with respect to which ownership has
8 changed in the 3-year period preceding the first year of
9 the contract if such land was acquired in order to qualify
10 for this program.

11 (d) CONTRACT REQUIREMENTS.—(1) Each contract
12 entered into under this section shall obligate the owner
13 and operator of the land to implement the plan agreed
14 to for not less than 5 years.

15 (2) The Secretary shall make available as grants to
16 the State agency the funds specified in this title for the
17 purposes of entering into landowner agreements as set
18 forth in this title.

19 (e) MANAGEMENT PLANS.—The plan referred to in
20 subsection (a)(1) above shall set forth the management
21 practices to be carried out by the owner and/or operator
22 of the habitat for the protection and enhancement of the
23 habitat and the species.

24 (f) DURATION.—Contracts entered into hereunder
25 shall be for a duration of 5 years, until land ownership

1 is transferred, or until the land ceases to be included with-
2 in designated critical habitat of the species, whichever is
3 shorter.

4 (g) PAYMENTS.—(1) The State agency shall establish
5 an equitable method for determining the annual payments
6 under this section, including through the submission of
7 bids in such manner as the Secretary may prescribe.

8 (2) The Secretary shall pay the cost of establishing
9 management measures and practices required pursuant to
10 the approved management plan.

11 (3) Any payments received by an owner or operator
12 under this section shall be in addition to, and shall not
13 affect, the total amount of payments that the owner or
14 operator is otherwise eligible to receive under this section,
15 or any other program administered by the Secretary or
16 any other Federal department or agency.

17 TITLE III—WILDLIFE CONSERVA-
18 TION AND RESTORATION

19 **SEC. 301. FINDINGS.**

20 The Congress finds and declares that—

21 (1) a diverse array of species of fish and wild-
22 life is of significant value to the Nation for many
23 reasons: aesthetic, ecological, educational, cultural,
24 recreational, economic, and scientific;

1 (2) it should be the objective of the United
2 States to retain for present and future generations
3 the opportunity to observe, understand, and appre-
4 ciate a wide variety of wildlife;
5 (3) millions of citizens participate in outdoor
6 recreation through hunting, fishing, and wildlife ob-
7 servation, all of which have significant value to the
8 citizens who engage in these activities;
9 (4) providing sufficient and properly maintained
10 wildlife-associated recreational opportunities is im-
11 portant to enhancing public appreciation of a diver-
12 sity of wildlife and the habitats upon which they de-
13 pend;
14 (5) lands and waters which contain species clas-
15 sified neither as game nor identified as endangered
16 or threatened also provide opportunities for wildlife-
17 associated recreation and education such as hunting
18 and fishing permitted by applicable State or Federal
19 law;
20 (6) hunters and anglers have for more than 60
21 years willingly paid user fees in the form of Federal
22 excise taxes on hunting and fishing equipment to
23 support wildlife diversity and abundance, through
24 enactment of the Federal Aid in Wildlife Restoration
25 Act (commonly referred to as the Pittman-Robertson

1 Act) and the Federal Aid in Sport Fish Restoration
2 Act (commonly referred to as the Dingell-Johnson/
3 Wallop-Breaux Act);
4 (7) State programs, adequately funded to con-
5 serve a broad array of wildlife in an individual State
6 and conducted in coordination with Federal, State,
7 tribal, and private landowners and interested organi-
8 zations, would continue to serve as a vital link in an
9 effort to restore game and nongame wildlife, and the
10 essential elements of such programs should include
11 conservation measures which manage for a diverse
12 variety of populations of wildlife; and
13 (8) it is proper for Congress to bolster and ex-
14 tend this highly successful program to aid game and
15 nongame wildlife in supporting the health and diver-
16 sity of habitat, as well as providing funds for con-
17 servation education.
18 **SEC. 302. PURPOSES.**
19 The purposes of this title are—
20 (1) to extend financial and technical assistance
21 to the States under the Federal Aid to Wildlife Res-
22 toration Act for the benefit of a diverse array of
23 wildlife and associated habitats, including species
24 that are not hunted or fished, to fulfill unmet needs

1 of wildlife within the States in recognition of the pri-
2 mary role of the States to conserve all wildlife;
3 (2) to assure sound conservation policies
4 through the development, revision and implementa-
5 tion of wildlife-associated recreation and wildlife-as-
6 sociated education and wildlife conservation law en-
7 forcement;
8 (3) to encourage State fish and wildlife agencies
9 to participate with the Federal Government, other
10 State agencies, wildlife conservation organizations,
11 and outdoor recreation and conservation interests
12 through cooperative planning and implementation of
13 this title; and
14 (4) to encourage State fish and wildlife agencies
15 to provide for public involvement in the process of
16 development and implementation of a wildlife con-
17 servation and restoration program.
18 **SEC. 303. DEFINITIONS.**
19 (a) REFERENCE TO LAW.—In this title, the term
20 "Federal Aid in Wildlife Restoration Act" means the Act
21 of September 2, 1937 (16 U.S.C. 669 et seq.), commonly
22 referred to as the Federal Aid in Wildlife Restoration Act
23 or the Pittman-Robertson Act.
24 (b) WILDLIFE CONSERVATION AND RESTORATION
25 PROGRAM.—Section 2 of the Federal Aid in Wildlife Res-

1 toration Act (16 U.S.C. 669a) is amended by inserting
2 after "shall be construed" in the first place it appears the
3 following: "to include the wildlife conservation and res-
4 toration program and".

5 (c) STATE AGENCIES.—Section 2 of the Federal Aid
6 in Wildlife Restoration Act (16 U.S.C. 669a) is amended
7 by inserting "or State fish and wildlife department" after
8 "State fish and game department".

9 (d) CONSERVATION.—Section 2 of the Federal Aid in
10 Wildlife Restoration Act (16 U.S.C. 669a) is amended by
11 striking the period at the end thereof, substituting a semi-
12 colon, and adding the following: "the term 'conservation'
13 shall be construed to mean the use of methods and proce-
14 dures necessary or desirable to sustain healthy populations
15 of wildlife including all activities associated with scientific
16 resources management such as research, census, monitor-
17 ing of populations, acquisition, improvement and manage-
18 ment of habitat, live trapping and transplantation, wildlife
19 damage management, and periodic or total protection of
20 a species or population as well as the taking of individuals
21 within wildlife stock or population if permitted by applica-
22 ble State and Federal law; the term 'wildlife conservation
23 and restoration program' means a program developed by
24 a State fish and wildlife department that the Secretary
25 determines meets the criteria in section 6(d), the projects

1 that constitute such a program, which may be imple-
2 mented in whole or part through grants and contracts by
3 a State to other State, Federal, or local agencies wildlife
4 conservation organizations and outdoor recreation and
5 conservation education entities from funds apportioned
6 under this title, and maintenance of such projects; the
7 term 'wildlife' shall be construed to mean any species of
8 wild, free-ranging fauna including fish, and also fauna in
9 captive breeding programs the object of which is to re-
10 introduce individuals of a depleted indigenous species into
11 previously occupied range; the term 'wildlife-associated
12 recreation' shall be construed to mean projects intended
13 to meet the demand for outdoor activities associated with
14 wildlife including, but not limited to, hunting and fishing,
15 such projects as construction or restoration of wildlife
16 viewing areas, observation towers, blinds, platforms, land
17 and water trails, water access, trail heads, and access for
18 such projects; and the term 'wildlife conservation edu-
19 cation' shall be construed to mean projects, including pub-
20 lic outreach, intended to foster responsible natural re-
21 source stewardship.".
22 (e) 10 PERCENT.—Subsection 3(a) of the Federal
23 Aid in Wildlife Restoration Act (16 U.S.C. 669b(a)) is
24 amended in the first sentence by—

1 (1) inserting "(1)" after "(beginning with the
2 fiscal year 1975)"; and
3 (2) inserting after "Internal Revenue Code of
4 1954" the following: ", and (2) from 10 percent of
5 the qualified Outer Continental Shelf revenues, as
6 defined in section 102 of the Conservation and Rein-
7 vestment Act of 1999,".

8 **SEC. 304. SUBACCOUNT AND REFUNDS.**

9 Section 3 of the Federal Aid in Wildlife Restoration
10 Act (16 U.S.C. 669b) is amended by adding at the end
11 the following new subsections:

12 "(c) A subaccount shall be established in the Federal
13 aid to wildlife restoration fund in the Treasury to be
14 known as the 'wildlife conservation and restoration ac-
15 count' and the credits to such account shall be equal to
16 the 10 percent of Outer Continental Shelf revenues re-
17 ferred to in subsection (a)(2). Amounts credited to such
18 account (other than interest) shall be invested by the Sec-
19 retary of the Treasury as set forth in subsection (b) and
20 shall be made available without further appropriation, in
21 the next succeeding fiscal year, for apportionment to carry
22 out State wildlife conservation and restoration programs.
23 All interest on such amounts shall be available, without
24 further appropriation, for obligation or expenditure for

1 purposes of the North American Wetlands Conservation
2 Act of 1989 (16 U.S.C. 4401 and following).
3 "(d) Funds covered into the wildlife conservation and
4 restoration account shall supplement, but not replace, ex-
5 isting funds available to the States from the sport fish
6 restoration and wildlife restoration accounts and shall be
7 used for the development, revision, and implementation of
8 wildlife conservation and restoration programs and should
9 be used to address the unmet needs for a diverse array
10 of wildlife and associated habitats, including species that
11 are not hunted or fished, for wildlife conservation, wildlife
12 conservation education, and wildlife-associated recreation
13 projects; provided such funds may be used for new pro-
14 grams and projects as well as to enhance existing pro-
15 grams and projects.
16 "(e) Notwithstanding subsections (a) and (b) of this
17 section, with respect to the wildlife conservation and res-
18 toration account so much of the appropriation apportioned
19 to any State for any fiscal year as remains unexpended
20 at the close thereof is authorized to be made available for
21 expenditure in that State until the close of the fourth suc-
22 ceeding fiscal year. Any amount apportioned to any State
23 under this subsection that is unexpended or unobligated
24 at the end of the period during which it is available for

1 expenditure on any project is authorized to be reappor-
2 tioned to all States during the succeeding fiscal year.
3 "(f) In those instances where through judicial deci-
4 sion, administrative review, arbitration, or other means
5 there are royalty refunds owed to entities generating reve-
6 nues available for purposes of this Act, 10 percent of such
7 refunds shall be paid from amounts available under sub-
8 section (a)(2).".

9 **SEC. 305. ALLOCATION OF SUBACCOUNT RECEIPTS.**

10 Section 4 of the Federal Aid in Wildlife Restoration
11 Act (16 U.S.C. 669c) is amended by adding the following
12 new subsection:
13 "(c)(1) Notwithstanding subsection (a), so much, not
14 to exceed one percent, of the revenues covered into the
15 wildlife conservation and restoration account in each fiscal
16 year as the Secretary of the Interior may estimate to be
17 necessary for expenses in the administration and execution
18 of programs carried out under the wildlife conservation
19 and restoration account shall be deducted for that pur-
20 pose, and such sum shall be available, without further ap-
21 propriation, for such purposes in the next succeeding fiscal
22 year, and within 60 days after the close of such fiscal year
23 the Secretary of the Interior shall apportion such part
24 thereof as remains unexpended, if any, on the same basis

1 and in the same manner as is provided under paragraphs
2 (2) and (3).
3 "(2) The Secretary of the Interior, after making the
4 deduction under paragraph (1), shall make the following
5 apportionment from the amount remaining in the wildlife
6 conservation and restoration account:
7 "(A) To the District of Columbia and to the
8 Commonwealth of Puerto Rico, each a sum equal to
9 not more than ½ of 1 percent thereof; and
10 "(B) to Guam, American Samoa, the Virgin Is-
11 lands, and the Commonwealth of the Northern Mari-
12 ana Islands, each a sum equal to not more than ⅙
13 of 1 percent thereof.
14 "(3) The Secretary of the Interior, after making the
15 deduction under paragraph (1) and the apportionment
16 under paragraph (2), shall apportion the remaining
17 amount in the wildlife conservation and restoration ac-
18 count for each year among the States in the following
19 manner:
20 "(A) ⅓ of which is based on the ratio to which
21 the land area of such State bears to the total land
22 area of all such States; and
23 "(B) ⅔ of which is based on the ratio to which
24 the population of such State bears to the total popu-
25 lation of all such States;

1 The amounts apportioned under this paragraph shall be
2 adjusted equitably so that no such State shall be appor-
3 tioned a sum which is less than ½ of 1 percent of the
4 amount available for apportionment under this paragraph
5 for any fiscal year or more than 5 percent of such
6 amount.".

7 "(d) WILDLIFE CONSERVATION AND RESTORATION
8 PROGRAMS.—Any State, through its fish and wildlife de-
9 partment, may apply to the Secretary for approval of a
10 wildlife conservation and restoration program or for funds
11 to develop a program, which shall—

12 "(1) contain provision for vesting in the fish
13 and wildlife department of overall responsibility and
14 accountability for development and implementation
15 of the program;

16 "(2) contain provision for development and im-
17 plementation of—

18 "(A) wildlife conservation projects which
19 expand and support existing wildlife programs
20 to meet the needs of a diverse array of wildlife
21 species,

22 "(B) wildlife-associated recreation projects,
23 and

24 "(C) wildlife conservation education
25 projects; and

1 "(3) contain provision for public participation
2 in the development, revision, and implementation of
3 projects and programs stipulated in paragraph (2) of
4 this subsection.
5 If the Secretary of the Interior finds that an application
6 for such program contains the elements specified in para-
7 graphs (1) and (2), the Secretary shall approve such appli-
8 cation and set aside from the apportionment to the State
9 made pursuant to section 4(c) an amount that shall not
10 exceed 90 percent of the estimated cost of developing and
11 implementing segments of the program for the first 5 fis-
12 cal years following enactment of this subsection and not
13 to exceed 75 percent thereafter. Not more than 10 percent
14 of the amounts apportioned to each State from this sub-
15 account for the State's wildlife conservation and restora-
16 tion program may be used for law enforcement. Following
17 approval, the Secretary may make payments on a project
18 that is a segment of the State's wildlife conservation and
19 restoration program as the project progresses but such
20 payments, including previous payments on the project, if
21 any, shall not be more than the United States pro rata
22 share of such project. The Secretary, under such regula-
23 tions as he may prescribe, may advance funds representing
24 the United States pro rata share of a project that is a
25 segment of a wildlife conservation and restoration pro-

1 gram, including funds to develop such program. For pur-
2 poses of this subsection, the term 'State' shall include the
3 District of Columbia, the Commonwealth of Puerto Rico,
4 the United States Virgin Islands, Guam, American
5 Samoa, and the Commonwealth of the Northern Mariana
6 Islands.".

7 (b) FACA.—Coordination with State fish and wildlife
8 agency personnel or with personnel of other State agencies
9 pursuant to the Federal Aid in Wildlife Restoration Act
10 or the Federal Aid in Sport Fish Restoration Act shall
11 not be subject to the Federal Advisory Committee Act (5
12 U.S.C. App.) Except for the preceding sentence, the provi-
13 sions of this title relate solely to wildlife conservation and
14 restoration programs as defined in this title and shall not
15 be construed to affect the provisions of the Federal Aid
16 in Wildlife Restoration Act relating to wildlife restoration
17 projects or the provisions of the Federal Aid in Sport Fish
18 Restoration Act relating to fish restoration and manage-
19 ment projects.

20 **SEC. 306. LAW ENFORCEMENT AND EDUCATION.**

21 The third sentence of subsection (a) of section 8 of
22 the Federal Aid in Wildlife Restoration Act (16 U.S.C.
23 669g) is amended by inserting before the period at the
24 end thereof: ", except that funds available from this sub-

1 account for a State wildlife conservation and restoration
2 program may be used for law enforcement and education".

3 **SEC. 307. PROHIBITION AGAINST DIVERSION.**

4 No designated State agency shall be eligible to receive
5 matching funds under this title if sources of revenue avail-
6 able to it after January 1, 1999, for conservation of wild-
7 life are diverted for any purpose other than the adminis-
8 tration of the designated State agency, it being the inten-
9 tion of Congress that funds available to States under this
10 title be added to revenues from existing State sources and
11 not serve as a substitute for revenues from such sources.
12 Such revenues shall include interest, dividends, or other
13 income earned on the forgoing.

○

106TH CONGRESS
1ST SESSION

H. R. 798

To provide for the permanent protection of the resources of the United States in the year 2000 and beyond.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 1999

Mr. GEORGE MILLER of California (for himself, Ms. PELOSI, Mr. BLUMENAUER, Mr. MCGOVERN, Mr. MALONEY of Connecticut, Mr. DEFAZIO, Mr. MCDERMOTT, Mr. ACKERMAN, Mr. DELAHUNT, Mr. LANTOS, Mr. MARKEY, Mr. TIERNEY, Mrs. MINK of Hawaii, Mr. MEEHAN, Mr. STARK, Mr. WAXMAN, Ms. LEE, Ms. WOOLSEY, Mr. SHERMAN, Mr. KILDEE, Mr. BONIOR, Mr. FARR of California, Ms. ESHOO, Mr. PALLONE, Mrs. CHRISTIAN-CHRISTENSEN, Mrs. CAPPS, Mr. INSLEE, Mr. GEPHARDT, Mr. KENNEDY of Rhode Island, Mrs. JONES of Ohio, Mr. RAHALL, Mr. GEJDENSON, Mr. ROTHMAN, Mr. FRANK of Massachusetts, and Mr. SANDERS) introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To provide for the permanent protection of the resources of the United States in the year 2000 and beyond.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Resources 2000 Act".

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Findings and purpose.
Sec. 4. Definitions.
Sec. 5. Reduction in deposits of qualified OCS revenues for any fiscal year for which those revenues are reduced.
Sec. 6. Limitation on use of available amounts for administration.
Sec. 7. Budgetary treatment of receipts and disbursements.

TITLE I—LAND AND WATER CONSERVATION FUND REVITALIZATION

Sec. 101. Amendment of Land and Water Conservation Fund Act of 1965.
Sec. 102. Extension of period for covering amounts into fund.
Sec. 103. Availability of amounts.
Sec. 104. Allocation and use of fund.
Sec. 105. Expansion of State assistance purposes.
Sec. 106. Allocation of amounts available for State purposes.
Sec. 107. State planning.
Sec. 108. Assistance to States for other projects.
Sec. 109. Conversion of property to other use.

TITLE II—URBAN PARK AND RECREATION RECOVERY PROGRAM AMENDMENTS

Sec. 201. Amendment of Urban Park and Recreation Recovery Act of 1978.
Sec. 202. Purposes.
Sec. 203. Authority to develop new areas and facilities.
Sec. 204. Definitions.
Sec. 205. Eligibility.
Sec. 206. Grants.
Sec. 207. Recovery action programs.
Sec. 208. State action incentives.
Sec. 209. Conversion of recreation property.
Sec. 210. Availability of amounts.
Sec. 211. Repeal.

TITLE III—HISTORIC PRESERVATION FUND

Sec. 301. Availability of amounts.

TITLE IV—FARMLAND, RANCHLAND, OPEN SPACE, AND FORESTLAND PROTECTION

Sec. 401. Purpose.
Sec. 402. Farmland, Ranchland, Open Space, and Forestland Protection Fund; availability of amounts.
Sec. 403. Authorized uses of Farmland, Ranchland, Open Space, and Forestland Protection Fund.
Sec. 404. Farmland Protection Program.
Sec. 405. Ranchland Protection Program.

TITLE V—FEDERAL AND INDIAN LANDS RESTORATION FUND

Sec. 501. Purpose.
Sec. 502. Federal and Indian Lands Restoration Fund; availability of amounts; allocation.
Sec. 503. Authorized uses of fund.
Sec. 504. Indian tribe defined.

TITLE VI—LIVING MARINE RESOURCES CONSERVATION, RESTORATION, AND MANAGEMENT ASSISTANCE

Sec. 601. Purpose.
Sec. 602. Financial assistance to coastal States.
Sec. 603. Ocean conservation partnerships.
Sec. 604. Living Marine Resources Conservation Fund; availability of amounts.
Sec. 605. Definitions.

TITLE VII—FUNDING FOR STATE NATIVE FISH AND WILDLIFE CONSERVATION AND RESTORATION

Sec. 701. Amendments to findings and purposes.
Sec. 702. Definitions.
Sec. 703. Conservation plans.
Sec. 704. Conservation actions in absence of conservation plan.
Sec. 705. Amendments relating to reimbursement process.
Sec. 706. Establishment of Native Fish and Wildlife Conservation and Restoration Trust Fund; availability of amounts.

TITLE VIII—ENDANGERED AND THREATENED SPECIES RECOVERY

Sec. 801. Purposes.
Sec. 802. Endangered and threatened species recovery assistance.
Sec. 803. Endangered and threatened species recovery agreements.
Sec. 804. Endangered and Threatened Species Recovery Fund; availability of amounts.
Sec. 805. Definitions.

1 **SEC. 3. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) By establishing the Land and Water Con-
4 servation Fund in 1965, Congress determined that
5 revenues generated by extraction of nonrenewable oil
6 and gas resources on the Outer Continental Shelf
7 should be dedicated to conservation and preservation
8 purposes.

9 (2) The Land and Water Conservation Fund
10 has been used for over three decades to protect and

1 enhance national parks, national forests, national
2 wildlife refuges, and other public lands throughout
3 the Nation. In past years, the Land and Water Con-
4 servation Fund has also provided States with vital
5 resources to assist with acquisition and development
6 of local park and outdoor recreation projects.

7 (3) In 1978, the Congress amended the Land
8 and Water Conservation Fund to authorize
9 $900,000,000 of annual oil and gas receipts to be
10 used for Federal land acquisition and State recre-
11 ation projects. In recent years, however, the Con-
12 gress has failed to appropriate funds at the author-
13 ized levels to meet Federal land acquisition needs,
14 and has entirely eliminated State recreation funding,
15 leaving an unallocated surplus of over
16 $12,000,000,000 for fiscal year 1999.

17 (4) To better meet land acquisition needs and
18 address growing public demands for outdoor recre-
19 ation, the Congress should assure that the Land and
20 Water Conservation Fund is used as it was intended
21 to acquire conservation lands and, in partnership
22 with State and local governments, to provide for im-
23 proved parks and outdoor recreational opportunities.

24 (5) The premise of using oil and gas receipts to
25 meet conservation and preservation objectives also

1 underlies the National Historic Preservation Act (16
2 U.S.C. 470 et seq.). Revenues to the Historic Pres-
3 ervation Fund accumulate at a rate of $150,000,000
4 annually, but because the Congress has failed in re-
5 cent years to appropriate the authorized amounts,
6 the fund has an unallocated surplus of over
7 $2,000,000,000 for fiscal year 1999. To reduce the
8 growing backlog of preservation needs, the Congress
9 should assure that the Historic Preservation Fund is
10 used as was intended.

11 (6) Building upon the commitment to devote
12 revenues from existing offshore leases to resource
13 protection through the Land and Water Conserva-
14 tion Fund Act of 1965 (16 U.S.C. 460l–4) and the
15 National Historic Preservation Act (16 U.S.C. 470
16 et seq.), the Congress should also dedicate revenues
17 from existing oil and gas leases to meet critical na-
18 tional, State, and local preservation and conservation
19 needs.

20 (7) Suburban sprawl presents a growing threat
21 to open space and farmland in many areas of the
22 Nation, with an estimated loss of 7,000 acres of
23 farmland and open space every day. Financial re-
24 sources and incentives are needed to promote the

1 protection of open space, farmland, ranchland, and
2 forests.
3 (8) National parks, national forests, national
4 wildlife refuges, and other public lands have signifi-
5 cant unmet repair and maintenance needs for trails,
6 campgrounds, and other existing recreational infra-
7 structure, even as outdoor recreation and user de-
8 mands on these resources are increasing.
9 (9) Urban park and recreation needs have been
10 neglected, with resulting increases in crime and
11 other inappropriate activity, in part because the
12 Congress has failed in recent years to provide appro-
13 priations as authorized by the Urban Park and
14 Recreation Recovery Act of 1978 (16 U.S.C. 2501
15 et seq.).
16 (10) Although the Endangered Species Act of
17 1973 (16 U.S.C. 1531 et seq.) has prevented the ex-
18 tinction of many plants and animals, the recovery of
19 most species listed under that Act has been ham-
20 pered by a lack of financial resources and incentives
21 to encourage States and private landowners to con-
22 tribute to the recovery of protected species.
23 (11) Native fish and wildlife populations have
24 declined in many parts of the Nation, and face grow-
25 ing threats from habitat loss and invasive species.

1 Financial resources and incentives are needed for
2 States to improve conservation and management of
3 native species.
4 (12) Ocean and coastal ecosystems are increas-
5 ingly degraded by loss of habitat, pollution, over-
6 fishing, and other threats to the health and produc-
7 tivity of the marine environment. Coastal States
8 should be provided with financial resources and in-
9 centives to better conserve, restore, and manage liv-
10 ing marine resources.
11 (13) The findings of the 1995 National Biologi-
12 cal Survey study entitled "Endangered Ecosystems
13 of the United States: A Preliminary Assessment of
14 Loss and Degradation", demonstrate the need to es-
15 calate conservation measures that protect our Na-
16 tion's wildlands and habitats.
17 (b) PURPOSE.—The purpose of this Act is to expand
18 upon the promises of the Land and Water Conservation
19 Act of 1965 (16 U.S.C. 460l–4 et seq.) and the National
20 Historic Preservation Act (16 U.S.C. 470 et seq.) by pro-
21 viding permanent funding for the protection and enhance-
22 ment of the Nations natural, historic, and cultural re-
23 sources by a variety of means, including—
24 (1) the acquisition of conservation lands;
25 (2) improvement of State and urban parks;

1 (3) preservation of open space, farmland,
2 ranchland, and forests;
3 (4) conservation of native fish and wildlife;
4 (5) recovery of endangered species; and
5 (6) restoration of coastal and marine resources.
6 **SEC. 4. DEFINITIONS.**
7 In this Act:
8 (1) COASTLINE.—The term "coastline" has the
9 same meaning that term has in the Submerged
10 Lands Act (43 U.S.C. 1301 et seq.).
11 (2) COASTAL STATE.—The term "coastal
12 State" has the meaning given the term "coastal
13 state" in the Coastal Zone Management Act of 1972
14 (16 U.S.C. 1451 et seq.).
15 (3) LEASED TRACT.—The term "leased tract"
16 means a tract, leased under section 8 of the Outer
17 Continental Shelf Lands Act (43 U.S.C. 1337) for
18 the purpose of drilling for, developing and producing
19 oil and natural gas resources, which is a unit con-
20 sisting of either a block, a portion of a block, a com-
21 bination of blocks or portions of blocks (or both), as
22 specified in the lease, and as depicted on an Outer
23 Continental Shelf Official Protraction Diagram.

1 (4) QUALIFIED OUTER CONTINENTAL SHELF
2 REVENUES.—The term "qualified Outer Continental
3 Shelf revenues"—
4 (A) except as provided in subparagraph
5 (B)—
6 (i) means all moneys received by the
7 United States from each leased tract or
8 portion of a leased tract located in the
9 Western or Central Gulf of Mexico, less
10 such sums as may be credited to States
11 under section 8(g) of the Outer Continen-
12 tal Shelf Lands Act (43 U.S.C. 1337(g))
13 and amounts needed for adjustments and
14 refunds as overpayments for rents, royal-
15 ties, or other purposes; and
16 (ii) includes royalties (including pay-
17 ments for royalty taken in-kind and sold),
18 net profit share payments, and related
19 late-payment interest from natural gas and
20 oil leases issued pursuant to the Outer
21 Continental Shelf Lands Act (43 U.S.C.
22 1331) for such a lease tract or portion;
23 and
24 (B) does not include any moneys received
25 by the United States under—

(i) any lease issued on or after the date of the enactment of this Act; or

(ii) any lease under which no oil or gas production has occurred before January 1, 1999.

SEC. 5. REDUCTION IN DEPOSITS OF QUALIFIED OCS REVENUES FOR ANY FISCAL YEAR FOR WHICH THOSE REVENUES ARE REDUCED.

(a) REDUCTION IN DEPOSITS.—The amount of qualified Outer Continental Shelf revenues that is otherwise required to be deposited for a limited fiscal year into the Land and Water Conservation Fund, the Historic Preservation Fund, or any other fund or account established by this Act (including the amendments made by this Act) is hereby reduced, so that—

(1) the ratio that the amount deposited (after the reduction) bears to the amount that would otherwise be deposited, is equal to

(2) the ratio that the amount of qualified Outer Continental Shelf Revenues for the fiscal year bears to—

(A) $2,050,000 for fiscal years 2000 and 2001;

(B) $2,150,000 for fiscal years 2002, 2003, and 2004; and

1 (C) $2,300,000 for fiscal year 2005 and
2 each fiscal year thereafter.
3 (b) NO REDUCTION IN DEPOSITS OF INTEREST.—
4 Subsection (a) shall not apply to deposits of interest
5 earned from investment of amounts in a fund or other ac-
6 count.
7 (c) LIMITED FISCAL YEAR DEFINED.—In this sec-
8 tion, the term "limited fiscal year" means a fiscal year
9 in which the total amount received by the United States
10 as qualified Outer Continental Shelf revenues is less
11 than—
12 (1) $2,050,000, for fiscal years 2000 and 2001;
13 (2) $2,150,000, for fiscal years 2002, 2003,
14 and 2004; and
15 (3) $2,300,000, for fiscal year 2005 and each
16 fiscal year thereafter.

17 **SEC. 6. LIMITATION ON USE OF AVAILABLE AMOUNTS FOR**
18 **ADMINISTRATION.**

19 Notwithstanding any other provision of law, of
20 amounts made available by this Act (including the amend-
21 ments made by this Act) for a particular activity, not more
22 than 2 percent may be used for administrative expenses
23 of that activity.

SEC. 7. BUDGETARY TREATMENT OF RECEIPTS AND DISBURSEMENTS.

Notwithstanding any other provision of law, the receipts and disbursements of funds under this Act and the amendments made by this Act—

(1) shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

(A) the budget of the United States Government as submitted by the President;

(B) the congressional budget (including allocations of budget authority and outlays provided therein); or

(C) the Balanced Budget and Emergency Deficit Control Act of 1985; and

(2) shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

TITLE I—LAND AND WATER CONSERVATION FUND REVITALIZATION

SEC. 101. AMENDMENT OF LAND AND WATER CONSERVATION FUND ACT OF 1965.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms

of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4 et seq.)

SEC. 102. EXTENSION OF PERIOD FOR DEPOSITING AMOUNTS INTO FUND.

Section 2 (16 U.S.C. 460l–5) is amended—

(1) in the matter preceding subsection (a) by striking "During the period ending September 30, 2015, there shall be covered into" and inserting "There shall be deposited into";

(2) in paragraph (c)(1) by striking "through September 30, 2015"; and

(3) in paragraph (c)(2)—

(A) by striking "shall be credited to the fund" and all that follows through "as amended (43 U.S.C. 1331 et seq.)" and inserting "shall be deposited into the fund, subject to section 5 of the Resources 2000 Act, from amounts due and payable to the United States as qualified Outer Continental Shelf revenues (as that term is defined in section 4 of that Act)"; and

(B) in the proviso by striking "covered" and inserting "deposited".

1 **SEC. 103. AVAILABILITY OF AMOUNTS.**

2 Section 3 (16 U.S.C. 460l–6) is amended by striking
3 so much as precedes the third sentence and inserting the
4 following:

5 "APPROPRIATIONS

6 "SEC. 3. (a) Of amounts in the fund, up to
7 $900,000,000 shall be available each fiscal year for obliga-
8 tion or expenditure without further appropriation, and
9 shall remain available until expended.

10 "(b) Moneys made available for obligation or expendi-
11 ture from the fund or from the special account established
12 under section 4(i)(1) may be obligated or expended only
13 as provided in this Act.

14 "(c) The Secretary of the Treasury shall invest mon-
15 eys in the fund that are excess to expenditures in public
16 debt securities with maturities suitable to the needs of the
17 fund, as determined by the Secretary of the Treasury, and
18 bearing interest at rates determined by the Secretary of
19 the Treasury, taking into consideration current market
20 yields on outstanding marketable obligations of the United
21 States of comparable maturity. Interest earned on such
22 investments shall be deposited into the fund.".

23 **SEC. 104. ALLOCATION AND USE OF FUND.**

24 Section 5 (16 U.S.C. 460l–7) is amended to read as
25 follows:

1 **"SEC. 5. ALLOCATION AND USE OF FUNDS.**

2 "(a) IN GENERAL.—Of the amounts made available
3 for each fiscal year by this Act—

4 "(1) 50 percent shall be available for Federal
5 purposes (in this section referred to as the 'Federal
6 portion'); and

7 "(2) 50 percent shall be available for grants to
8 States.

9 "(b) USE OF FEDERAL PORTION.—The President
10 shall, in the annual budget submitted by the President for
11 each fiscal year, specify the purposes for which the Fed-
12 eral portion of the fund is to be used by the Secretary
13 of the Interior and the Secretary of Agriculture. Such
14 funds shall be used by the Secretary concerned for the
15 purposes specified by the President in such budget sub-
16 mission unless the Congress, in an Act making appropria-
17 tions for the Department of the Interior and related agen-
18 cies for such fiscal year, specifies that any part of such
19 Federal portion shall be used by the Secretary concerned
20 for other Federal purposes as authorized by this Act.

21 "(c) FEDERAL PRIORITY LIST.—(1) For purposes of
22 the budget submission of the President for each fiscal
23 year, the President shall require the Secretary of the Inte-
24 rior and the Secretary of Agriculture to prepare Federal
25 priority lists for expenditure of the Federal portion.

1 "(2) The Secretaries shall prepare the lists in con-
2 sultation with the head of each affected bureau or agency,
3 taking into account the best professional judgment regard-
4 ing the land acquisition priorities and policies of each bu-
5 reau or agency.

6 "(3) In preparing the priority lists, the Secretaries
7 shall consider—

8 "(A) the potential adverse impacts which might
9 result if a particular acquisition is not undertaken;

10 "(B) the availability of land appraisal and other
11 information necessary to complete an acquisition in
12 a timely manner; and

13 "(C) such other factors as the Secretaries con-
14 sider appropriate.".

15 **SEC. 105. EXPANSION OF STATE ASSISTANCE PURPOSES.**

16 Section 6(a) (16 U.S.C. 460l–8) is amended by strik-
17 ing "outdoor recreation:".

18 **SEC. 106. ALLOCATION OF AMOUNTS AVAILABLE FOR**
19 **STATE PURPOSES.**

20 Section 6(b) (16 U.S.C. 460l–8) is amended to read
21 as follows:

22 "(b) DISTRIBUTION AMONG THE STATES.—(1) Sums
23 made available from the fund each fiscal year for State
24 purposes shall be apportioned among the several States
25 by the Secretary, in accordance with this subsection. The

1 determination of the apportionment by the Secretary shall
2 be final.
3 "(2) Two-thirds of the sums made available from the
4 fund each fiscal year for State purposes shall be distrib-
5 uted by the Secretary using criteria developed by the Sec-
6 retary under the following formula:
7 "(A) 30 percent shall be distributed equally
8 among the several States.
9 "(B) 70 percent shall be distributed on the
10 basis of the ratio which the population of each State
11 bears to the total population of all States.
12 "(3) One-third of the sums made available from the
13 fund each fiscal year for State purposes shall be distrib-
14 uted among the several States by the Secretary under a
15 competitive grant program, subject to such criteria as the
16 Secretary determines necessary to further the purposes of
17 the Act.
18 "(4) The total allocation to an individual State under
19 paragraphs (2) and (3) for a fiscal year shall not exceed
20 10 percent of the total amount allocated to the several
21 States under this subsection for that fiscal year.
22 "(5) The Secretary shall notify each State of its ap-
23 portionment, and the amounts thereof shall be available
24 thereafter to the State for planning, acquisition, or devel-
25 opment projects as hereafter described. Any amount of

1 any apportionment that has not been paid or obligated by
2 the Secretary during the fiscal year in which such notifica-
3 tion is given and the two fiscal years thereafter shall be
4 reapportioned by the Secretary in accordance with para-
5 graph (3), without regard to the 10 percent limitation to
6 an individual State specified in paragraph (4).

7 "(6)(A) For the purposes of paragraph (2)(A)—

8 "(i) the District of Columbia shall be treated as
9 a State; and

10 "(ii) Puerto Rico, the United States Virgin Is-
11 lands, Guam, and American Samoa—

12 "(I) shall be treated collectively as one
13 State; and

14 "(II) shall each be allocated an equal share
15 of any amount distributed to them pursuant to
16 clause (i).

17 "(B) Each of the areas referred to in subparagraph
18 (A) shall be treated as a State for all other purposes of
19 this Act.".

20 **SEC. 107. STATE PLANNING.**

21 Section 6(d) (16 U.S.C. 460l–8(d)) is amended to
22 read as follows:

23 "(d) STATE PLAN.—(1)(A) A State plan shall be re-
24 quired prior to the consideration by the Secretary of finan-
25 cial assistance for acquisition or development projects. In

1 order to reduce costly repetitive planning efforts, a State
2 may use for such plan a current State comprehensive out-
3 door recreation plan, a State recreation plan, or a State
4 action agenda under criteria developed by the Secretary
5 if, in the judgment of the Secretary, the plan used encom-
6 passes and promotes the purposes of this Act. No plan
7 shall be approved for a State unless the Governor of the
8 State certifies that ample opportunity for public participa-
9 tion in development and revision of the plan has been ac-
10 corded. The Secretary shall develop, in consultation with
11 others, criteria for public participation, and such criteria
12 shall constitute the basis for certification by the Governor.
13 "(B) The plan or agenda shall contain—
14 "(i) the name of the State agency that will have
15 the authority to represent and act for the State in
16 dealing with the Secretary for purposes of this Act;
17 "(ii) an evaluation of the demand for and sup-
18 ply of outdoor conservation and recreation resources
19 and facilities in the State;
20 "(iii) a program for the implementation of the
21 plan or agenda; and
22 "(iv) such other necessary information as may
23 be determined by the Secretary.
24 "(C) The plan or agenda shall take into account rel-
25 evant Federal resources and programs and be correlated

1 so far as practicable with other State, regional, and local
2 plans.
3 "(2) The Secretary may provide financial assistance
4 to any State for the preparation of a State plan under
5 subsection (d)(1) when such plan is not otherwise available
6 or for the maintenance of such a plan.".

7 **SEC. 108. ASSISTANCE TO STATES FOR OTHER PROJECTS.**

8 Section 6(e) (16 U.S.C. 460l–8(e)) is amended—
9 (1) in subsection (e)(1) by striking ", but not
10 including incidental costs relating to acquisition";
11 and
12 (2) in subsection (e)(2) by inserting before the
13 period at the end the following: "or to enhance pub-
14 lic safety.".

15 **SEC. 109. CONVERSION OF PROPERTY TO OTHER USE.**

16 Section 6(f)(3) (16 U.S.C. 460l–8(f)) is amended—
17 (1) by inserting "(A)" before "No property";
18 and
19 (2) by striking the second sentence and insert-
20 ing the following:
21 "(B)(i) The Secretary shall approve such conversion
22 only if the State demonstrates that no prudent or feasible
23 alternative exists.
24 "(ii) Clause (i) shall not apply to property that is no
25 longer viable as an outdoor conservation or recreation fa-

1 cility due to changes in demographics, or that must be
2 abandoned because of environmental contamination which
3 endangers public health and safety.

4 "(C)(i) The Secretary may not approve such conver-
5 sion unless the conversion satisfies any conditions the Sec-
6 retary considers necessary to assure the substitution of
7 other conservation and recreation properties of at least
8 equal market value and reasonable equivalent usefulness
9 and location and which are in accord with the existing
10 State Plan for conservation and recreation.

11 "(ii) For purposes of clause (i), wetland areas and
12 interests therein, as identified in a plan referred to in that
13 clause and proposed to be acquired as suitable replace-
14 ment property within the same State, that is otherwise
15 acceptable to the Secretary shall be considered to be of
16 reasonably equivalent usefulness with the property pro-
17 posed for conversion.".

18 TITLE II—URBAN PARK AND 19 RECREATION RECOVERY 20 PROGRAM AMENDMENTS

21 SEC. 201. AMENDMENT OF URBAN PARK AND RECREATION 22 RECOVERY ACT OF 1978.

23 Except as otherwise expressly provided, whenever in
24 this title an amendment or repeal is expressed in terms
25 of an amendment to, or repeal of, a section or other provi-

1 sion, the reference shall be considered to be made to a
2 section or other provision of the Urban Park and Recre-
3 ation Recovery Act of 1978 (16 U.S.C. 2501 et seq.).

4 **SEC. 202. PURPOSES.**

5 The purpose of this title is to provide a dedicated
6 source of funding to assist local governments in improving
7 their park and recreation systems.

8 **SEC. 203. AUTHORITY TO DEVELOP NEW AREAS AND FA-**
9 **CILITIES.**

10 Section 1003 (16 U.S.C. 2502) is amended by insert-
11 ing "development of new recreation areas and facilities,
12 including the acquisition of lands for such development,"
13 after "rehabilitation of critically needed recreation areas,
14 facilities,".

15 **SEC. 204. DEFINITIONS.**

16 Section 1004 (16 U.S.C. 2503) is amended—
17 (1) in paragraph (j) by striking "and" after the
18 semicolon;
19 (2) in paragraph (k) by striking the period at
20 the end and inserting a semicolon; and
21 (3) by adding at the end the following:
22 "(l) 'development grants'—
23 "(1) means matching capital grants to
24 units of local government to cover costs of de-
25 velopment, land acquisition, and construction

on existing or new neighborhood recreation sites, including indoor and outdoor recreational areas and facilities, and support facilities; and

"(2) does not include landscaping, routine maintenance, and upkeep activities;

"(m) 'qualified Outer Continental Shelf revenues' has the meaning given that term in section 4 of the Resources 2000 Act; and

"(n) 'Secretary' means the Secretary of the Interior.".

SEC. 205. ELIGIBILITY.

Section 1005(a) (16 U.S.C. 2504(a)) is amended to read as follows:

"(a) Eligibility of general purpose local governments to compete for assistance under this title shall be based upon need as determined by the Secretary. Generally, eligible general purpose local governments shall include the following:

"(1) All political subdivisions of Metropolitan, Primary, or Consolidated Statistical Areas, as determined by the most recent Census.

"(2) Any other city or town within such a Metropolitan Statistical Area, that has a total population of 50,000 or more as determined by the most recent Census.

1 "(3) Any other county, parish, or township with
2 a total population of 250,000 or more as determined
3 by the most recent Census.".

4 **SEC. 206. GRANTS.**

5 Section 1006 (16 U.S.C. 2505) is amended by strik-
6 ing so much as precedes subsection (a)(3) and inserting
7 the following:

8 "SEC. 1006. (a)(1) The Secretary may provide 70
9 percent matching grants for rehabilitation, development,
10 and innovation purposes to any eligible general purpose
11 local government upon approval by the Secretary of an ap-
12 plication submitted by the chief executive of such govern-
13 ment.

14 "(2) At the discretion of such an applicant, a grant
15 under this section may be transferred in whole or part to
16 independent special purpose local governments, private
17 nonprofit agencies, or county or regional park authorities,
18 if—

19 "(A) such transfer is consistent with the ap-
20 proved application for the grant; and

21 "(B) the applicant provides assurance to the
22 Secretary that the applicant will maintain public
23 recreation opportunities at assisted areas and facili-
24 ties owned or managed by the applicant in accord-
25 ance with section 1010.

1 "(3) Payments may be made only for those rehabilita-
2 tion, development, or innovation projects that have been
3 approved by the Secretary. Such payments may be made
4 from time to time in keeping with the rate of progress
5 toward completion of a project, on a reimbursable basis.".

6 **SEC. 207. RECOVERY ACTION PROGRAMS.**

7 Section 1007(a) (16 U.S.C. 2506(a)) is amended—
8 (1) in subsection (a) in the first sentence by in-
9 serting "development," after "commitments to ongo-
10 ing planning,"; and
11 (2) in subsection (a)(2) by inserting "develop-
12 ment and" after "adequate planning for".

13 **SEC. 208. STATE ACTION INCENTIVES.**

14 Section 1008 (16 U.S.C. 2507) is amended—
15 (1) by inserting "(a) IN GENERAL.—" before
16 the first sentence; and
17 (2) by striking the last sentence of subsection
18 (a) (as designated by paragraph (1) of this section)
19 and inserting the following:
20 "(b) COORDINATION WITH LAND AND WATER CON-
21 SERVATION FUND ACTIVITIES.—(1) The Secretary and
22 general purpose local governments are encouraged to co-
23 ordinate preparation of recovery action programs required
24 by this title with State plans required under section 6 of
25 the Land and Water Conservation Fund Act of 1965, in-

1 cluding by allowing flexibility in preparation of recovery
2 action programs so they may be used to meet State and
3 local qualifications for local receipt of Land and Water
4 Conservation Fund grants or State grants for similar pur-
5 poses or for other conservation or recreation purposes.
6 (2) The Secretary shall encourage States to consider
7 the findings, priorities, strategies, and schedules included
8 in the recovery action programs of their urban localities
9 in preparation and updating of State plans in accordance
10 with the public coordination and citizen consultation re-
11 quirements of subsection 6(d) of the Land and Water Con-
12 servation Fund Act of 1965.".

13 **SEC. 209. CONVERSION OF RECREATION PROPERTY.**

14 Section 1010 (16 U.S.C. 2509) is amended to read
15 as follows:

16 "CONVERSION OF RECREATION PROPERTY

17 "SEC. 1010. (a)(1) No property developed, acquired,
18 or rehabilitated under this title shall, without the approval
19 of the Secretary, be converted to any purpose other than
20 public recreation purposes.

21 "(2) Paragraph (1) shall apply to—

22 "(A) property developed with amounts provided
23 under this title; and

24 "(B) the park, recreation, or conservation area
25 of which the property is a part.

1 "(b)(1) The Secretary shall approve such conversion
2 only if the grantee demonstrates no prudent or feasible
3 alternative exists.
4 "(2) Paragraph (1) shall apply to property that is
5 no longer a viable recreation facility due to changes in de-
6 mographics or that must be abandoned because of environ-
7 mental contamination which endangers public health or
8 safety.
9 "(c) Any conversion must satisfy any conditions the
10 Secretary considers necessary to assure substitution of
11 other recreation property that is—
12 "(1) of at least equal fair market value, or rea-
13 sonably equivalent usefulness and location; and
14 "(2) in accord with the current recreation re-
15 covery action plan of the grantee.".
16 **SEC. 210. AVAILABILITY OF AMOUNTS.**
17 Section 1013 (16 U.S.C. 2512) is amended to read
18 as follows:
19 "APPROPRIATIONS
20 "SEC. 1013. (a) IN GENERAL.—
21 "(1) ESTABLISHMENT OF FUND.—There is es-
22 tablished in the Treasury of the United States a
23 fund that shall be known as the 'Urban Park and
24 Recreation Recovery Fund' (in this section referred
25 to as the 'Fund'). The Fund shall consist of such
26 amounts as are deposited into the Fund under this

1 subsection. Amounts in the fund shall only be used
2 to carry out this title.
3 "(2) DEPOSITS.—Subject to section 5 of the
4 Resources 2000 Act, from amounts received by the
5 United States as qualified Outer Continental Shelf
6 revenues there shall be deposited into the fund
7 $100,000,000 each fiscal year.
8 "(3) AVAILABILITY.—Of amounts in the fund,
9 up to $100,000,000 shall be available each fiscal
10 year without further appropriation, and shall remain
11 available until expended.
12 "(4) INVESTMENT OF EXCESS AMOUNTS.—The
13 Secretary of the Treasury shall invest moneys in the
14 Fund that are excess to expenditures in public debt
15 securities with maturities suitable to the needs of
16 the Fund, as determined by the Secretary of the
17 Treasury, and bearing interest at rates determined
18 by the Secretary of the Treasury, taking into consid-
19 eration current market yields on outstanding mar-
20 ketable obligations of the United States of com-
21 parable maturity. Interest earned on such invest-
22 ments shall be deposited into the Fund.
23 "(b) LIMITATIONS ON ANNUAL GRANTS.—Of
24 amounts available to the Secretary each fiscal year under
25 this section—

"(1) not more that 3 percent may be used for grants for the development of local park and recreation recovery action programs pursuant to sections 1007(a) and 1007(c);

"(2) not more than 10 percent may be used for innovation grants pursuant to section 1006; and

"(3) not more than 15 percent may be provided as grants (in the aggregate) for projects in any one State.

"(c) LIMITATION ON USE FOR GRANT ADMINISTRATION.—The Secretary shall establish a limit on the portion of any grant under this title that may be used for grant and program administration.".

SEC. 211. REPEAL.

Section 1015 (16 U.S.C. 2514) is repealed.

TITLE III—HISTORIC PRESERVATION FUND

SEC. 301. AVAILABILITY OF AMOUNTS.

Section 108 of the National Historic Preservation Act (16 U.S.C. 470h) is amended—

(1) by inserting "(a)" before the first sentence;

(2) in subsection (a) (as designated by paragraph (1) of this section) by striking "There shall be covered into such fund" and all that follows through "(43 U.S.C. 338)," and inserting "Subject to section

1 5 of the Resources 2000 Act, there shall be depos-
2 ited into such fund $150,000,000 for each fiscal
3 year after fiscal year 1998 from revenues due and
4 payable to the United States as qualified Outer Con-
5 tinental Shelf revenues (as that term is defined in
6 section 4 of that Act),".
7 (3) by striking the third sentence of subsection
8 (a) (as so designated) and all that follows through
9 the end of the subsection and inserting "Such mon-
10 eys shall be used only to carry out the purposes of
11 this Act."; and
12 (4) by adding at the end the following:
13 "(b)(1) Of amounts in the fund, up to $150,000,000
14 shall be available each fiscal year after September 30,
15 1999, for obligation or expenditure without further appro-
16 priation to carry out the purposes of this Act, and shall
17 remain available until expended.
18 "(2) At least ½ of the funds obligated or expended
19 each fiscal year under this section shall be used in accord-
20 ance with this Act for preservation projects on historic
21 properties. In making such funds available, the Secretary
22 shall give priority to the preservation of endangered his-
23 toric properties.
24 "(c) The Secretary of the Treasury shall invest mon-
25 eys in the fund that are excess to expenditures in public

1 debt securities with maturities suitable to the needs of the
2 fund, as determined by the Secretary of the Treasury, and
3 bearing interest at rates determined by the Secretary of
4 the Treasury, taking into consideration current market
5 yields on outstanding marketable obligations of the United
6 States of comparable maturity. Interest earned on such
7 investments shall be deposited into the fund.".

8 TITLE IV—FARMLAND, RANCH-
9 LAND, OPEN SPACE, AND
10 FORESTLAND PROTECTION

11 **SEC. 401. PURPOSE.**

12 The purpose of this title is to provide a dedicated
13 source of funding to the Secretary of Agriculture and the
14 Secretary of the Interior for programs to provide matching
15 grants to certain eligible entities to facilitate the purchase
16 of conservation easements on farmland, ranchland, open
17 space, and forestland in order to—

18 (1) protect the ability of these lands to continue
19 in productive sustainable agricultural use; and

20 (2) prevent the loss of their value to the public
21 as open space because of nonagricultural develop-
22 ment.

1 **SEC. 402. FARMLAND, RANCHLAND, OPEN SPACE, AND**
2 **FORESTLAND PROTECTION FUND; AVAIL-**
3 **ABILITY OF AMOUNTS.**

4 (a) ESTABLISHMENT OF FUND.—There is estab-
5 lished in the Treasury of the United States a fund that
6 shall be known as the "Farmland, Ranchland, Open
7 Space, and Forestland Protection Fund" (in this title re-
8 ferred to as the "Fund"). Subject to section 5 of this Act,
9 there shall be deposited into the Fund $150,000,000 of
10 qualified Outer Continental Shelf revenues received by the
11 United States each fiscal year.

12 (b) AVAILABILITY.—Amounts in the Fund shall be
13 available as provided in section 403, without further ap-
14 propriation, and shall remain available until expended.

15 (c) INVESTMENT OF EXCESS AMOUNTS.—The Sec-
16 retary of the Treasury shall invest moneys in the Fund
17 that are excess to expenditures in public debt securities
18 with maturities suitable to the needs of the Fund, as de-
19 termined by the Secretary of the Treasury, and bearing
20 interest at rates determined by the Secretary of the Treas-
21 ury, taking into consideration current market yields on
22 outstanding marketable obligations of the United States
23 of comparable maturity. Interest earned on such invest-
24 ments shall be deposited into the Fund.

1 **SEC. 403. AUTHORIZED USES OF FARMLAND, RANCHLAND,**
2 **OPEN SPACE, AND FORESTLAND PROTEC-**
3 **TION FUND.**

4 (a) FARMLAND PROTECTION PROGRAM.—The Sec-
5 retary of Agriculture may use up to $50,000,000 annually
6 from the Farmland, Ranchland, Open Space, and
7 Forestland Protection Fund for the Farmland Protection
8 Program established under section 388 of the Federal Ag-
9 riculture Improvement and Reform Act of 1996 (Public
10 Law 104–127; 16 U.S.C. 3830 note), as amended by sec-
11 tion 404.

12 (b) RANCHLAND PROTECTION PROGRAM.—The Sec-
13 retary of the Interior may use up to $50,000,000 annually
14 from the Fund for the Ranchland Protection Program es-
15 tablished by section 405.

16 (c) FOREST LEGACY PROGRAM.—The Secretary of
17 Agriculture may use up to $50,000,000 annually from the
18 Fund for the Forest Legacy Program established by sec-
19 tion 7 of the Cooperative Forestry Assistance Act of 1978
20 (16 U.S.C. 2103c).

21 **SEC. 404. FARMLAND PROTECTION PROGRAM.**

22 (a) EXPANSION OF EXISTING PROGRAM.—Section
23 388 of the Federal Agriculture Improvement and Reform
24 Act of 1996 (Public Law 104–127; 16 U.S.C. 3830 note)
25 is amended to read as follows:

1 **"SEC. 388. FARMLAND PROTECTION PROGRAM.**

2 "(a) GRANTS AUTHORIZED; PURPOSE.—The Sec-
3 retary of Agriculture shall establish and carry out a pro-
4 gram, to be known as the 'Farmland Protection Program',
5 under which the Secretary shall provide grants to eligible
6 entities described in subsection (c) to provide the Federal
7 share of the cost of purchasing permanent conservation
8 easements in land with prime, unique, or other productive
9 soil for the purpose of protecting the continued use of the
10 land as farmland or open space by limiting nonagricultural
11 uses of the land.

12 "(b) FEDERAL SHARE.—The Federal share of the
13 cost of purchasing a conservation easement described in
14 subsection (a) may not exceed 50 percent of the total cost
15 of purchasing the easement.

16 "(c) ELIGIBLE ENTITY DEFINED.—In this section,
17 the term 'eligible entity' means—

18 "(1) an agency of a State or local government;

19 "(2) a federally recognized Indian tribe; or

20 "(3) any organization that is organized for, and
21 at all times since its formation has been operated
22 principally for, one or more of the conservation pur-
23 poses specified in clause (i), (ii), or (iii) of section
24 170(h)(4)(A) of the Internal Revenue Code of 1986
25 and—

1 "(A) is described in section 501(c)(3) of
2 the Code;
3 "(B) is exempt from taxation under section
4 501(a) of the Code; and
5 "(C) is described in paragraph (2) of sec-
6 tion 509(a) of the Code, or paragraph (3) of
7 such section, but is controlled by an organiza-
8 tion described in paragraph (2) of such section.
9 "(d) TITLE; ENFORCEMENT.—Any eligible entity
10 may hold title to a conservation easement described in
11 subsection (a) and enforce the conservation requirements
12 of the easement.
13 "(e) STATE CERTIFICATION.—As a condition of the
14 receipt by an eligible entity of a grant under subsection
15 (a), the attorney general of the State in which the con-
16 servation easement is to be purchased using the grant
17 funds shall certify that the conservation easement to be
18 purchased is in a form that is sufficient, under the laws
19 of the State, to achieve the conservation purpose of the
20 Farmland Protection Program and the terms and condi-
21 tions of the grant.
22 "(f) CONSERVATION PLAN.—Any land for which a
23 conservation easement is purchased under this section
24 shall be subject to the requirements of a conservation plan

1 to the extent that the plan does not negate or adversely
2 affect the restrictions contained in the easement.

3 "(g) TECHNICAL ASSISTANCE.—The Secretary of Ag-
4 riculture may not use more than 10 percent of the amount
5 that is made available for any fiscal year under this pro-
6 gram to provide technical assistance to carry out this sec-
7 tion.".

8 (b) EFFECT ON EXISTING EASEMENTS.—The
9 amendment made by subsection (a) shall not affect the
10 validity or terms of conservation easements and other in-
11 terests in lands purchased under section 388 of the Fed-
12 eral Agriculture Improvement and Reform Act of 1996
13 (Public Law 104–127; 16 U.S.C. 3830 note) before the
14 date of the enactment of this Act.

15 **SEC. 405. RANCHLAND PROTECTION PROGRAM.**

16 (a) GRANTS AUTHORIZED; PURPOSE.—The Sec-
17 retary of Interior shall establish and carry out a program,
18 to be known as the "Ranchland Protection Program",
19 under which the Secretary shall provide grants to eligible
20 entities described in subsection (c) to provide the Federal
21 share of the cost of purchasing permanent conservation
22 easements on ranchland, which is in danger of conversion
23 to nonagricultural uses, for the purpose of protecting the
24 continued use of the land as ranchland or open space.

1 (b) FEDERAL SHARE.—The Federal share of the cost
2 of purchasing a conservation easement described in sub-
3 section (a) may not exceed 50 percent of the total cost
4 of purchasing the easement.
5 (c) ELIGIBLE ENTITY DEFINED.—In this section, the
6 term "eligible entity" means—
7 (1) an agency of a State or local government;
8 (2) a federally recognized Indian tribe; or
9 (3) any organization that is organized for, and
10 at all times since its formation has been operated
11 principally for, one or more of the conservation pur-
12 poses specified in clause (i), (ii), or (iii) of section
13 170(h)(4)(A) of the Internal Revenue Code of 1986
14 and—
15 (A) is described in section 501(c)(3) of the
16 Code;
17 (B) is exempt from taxation under section
18 501(a) of the Code; and
19 (C) is described in paragraph (2) of section
20 509(a) of the Code, or paragraph (3) of such
21 section, but is controlled by an organization de-
22 scribed in paragraph (2) of such section.
23 (d) TITLE; ENFORCEMENT.—Any eligible entity may
24 hold title to a conservation easement described in sub-

1 section (a) and enforce the conservation requirements of
2 the easement.

3 (e) STATE CERTIFICATION.—As a condition of the re-
4 ceipt by an eligible entity of a grant under subsection (a),
5 the attorney general of the State in which the conservation
6 easement is to be purchased using the grant funds shall
7 certify that the conservation easement to be purchased is
8 in a form that is sufficient, under the laws of the State,
9 to achieve the conservation purpose of the Ranchland Pro-
10 tection Program and the terms and conditions of the
11 grant.

12 (f) CONSERVATION PLAN.—Any land for which a
13 conservation easement is purchased under this section
14 shall be subject to the requirements of a conservation plan
15 to the extent that the plan does not negate or adversely
16 affect the restrictions contained in the easement.

17 (g) RANCHLAND DEFINED.—In this section, the term
18 "ranchland" means private or tribally owned rangeland,
19 pastureland, grazed forest land, and hay land.

20 (h) TECHNICAL ASSISTANCE.—The Secretary of the
21 Interior may not use more than 10 percent of the amount
22 that is made available for any fiscal year under this pro-
23 gram to provide technical assistance to carry out this sec-
24 tion.

TITLE V—FEDERAL AND INDIAN LANDS RESTORATION FUND

SEC. 501. PURPOSE.

The purpose of this title is to provide a dedicated source of funding for a coordinated program on Federal and Indian lands to restore degraded lands, protect resources that are threatened with degradation, and protect public health and safety.

SEC. 502. FEDERAL AND INDIAN LANDS RESTORATION FUND; AVAILABILITY OF AMOUNTS; ALLOCATION.

(a) ESTABLISHMENT OF FUND.—There is established in the Treasury of the United States a fund that shall be known as the "Federal and Indian Lands Restoration Fund". Subject to section 5 of this Act, there shall be deposited into the fund $250,000,000 of qualified Outer Continental Shelf revenues received by the United States each fiscal year. Amounts in the fund shall only be used to carry out the purpose of this title.

(b) AVAILABILITY.—Of amounts in the fund, up to $250,000,000 shall be available each fiscal year without further appropriation, and shall remain available until expended.

(c) ALLOCATION.—Amounts made available under this section shall be allocated as follows:

1 (1) DEPARTMENT OF THE INTERIOR.—60 per-
2 cent shall be available to the Secretary of the Inte-
3 rior to carry out the purpose of this title on lands
4 within the National Park System, National Wildlife
5 Refuge System, and public lands administered by
6 the Bureau of Land Management.
7 (2) DEPARTMENT OF AGRICULTURE.—30 per-
8 cent shall be available to the Secretary of Agri-
9 culture to carry out the purpose of this title on lands
10 within the National Forest System.
11 (3) INDIAN TRIBES.—10 percent shall be avail-
12 able to the Secretary of the Interior for competitive
13 grants to qualified Indian tribes under section
14 503(b).
15 (d) INVESTMENT OF EXCESS AMOUNTS.—The Sec-
16 retary of the Treasury shall invest moneys in the fund that
17 are excess to expenditures in public debt securities with
18 maturities suitable to the needs of the fund, as determined
19 by the Secretary of the Treasury, and bearing interest at
20 rates determined by the Secretary of the Treasury, taking
21 into consideration current market yields on outstanding
22 marketable obligations of the United States of comparable
23 maturity. Interest earned on such investments shall be de-
24 posited into the fund.

1 **SEC. 503. AUTHORIZED USES OF FUND.**

2 (a) IN GENERAL.—Funds made available pursuant to
3 this title shall be used solely for restoration of degraded
4 lands, resource protection, maintenance activities related
5 to resource protection, or protection of public health or
6 safety.

7 (b) COMPETITIVE GRANTS TO INDIAN TRIBES.—

8 (1) GRANT AUTHORITY.—The Secretary of the
9 Interior shall administer a competitive grant pro-
10 gram for Indian tribes, using such criteria as may
11 be developed by the Secretary to achieve the purpose
12 of this title.

13 (2) LIMITATION.—The amount received for a
14 fiscal year by a single Indian tribe in the form of
15 grants under this subsection may not exceed 10 per-
16 cent of the total amount provided to all Indian tribes
17 for that fiscal year in the form of such grants.

18 (c) PRIORITY LIST.—The Secretary of the Interior
19 and the Secretary of Agriculture shall each establish prior-
20 ity lists for the use of funds available under this title.
21 Each list shall give priority to projects based upon the pro-
22 tection of significant resources, the severity of damages
23 or threats to resources, and the protection of public health
24 or safety.

25 (d) COMPLIANCE WITH APPLICABLE PLANS.—Any
26 project carried out on Federal lands with amounts pro-

1 vided under this title shall be carried out in accordance
2 with all management plans that apply under Federal law
3 to the lands.

4 (e) TRACKING RESULTS.—Not later than the end of
5 the first full fiscal year for which funds are available under
6 this title, the Secretary of the Interior and the Secretary
7 of Agriculture shall jointly establish a coordinated pro-
8 gram for—

9 (1) tracking the progress of activities carried
10 out with amounts made available by this title; and
11 (2) determining the extent to which demon-
12 strable results are being achieved by those activities.

13 **SEC. 504. INDIAN TRIBE DEFINED.**

14 In this title, the term "Indian tribe" means an Indian
15 or Alaska Native tribe, band, nation, pueblo, village, or
16 community that the Secretary of the Interior recognizes
17 as an Indian tribe under section 104 of the Federally Rec-
18 ognized Indian Tribe List Act of 1994 (25 U.S.C. 479a–
19 1).

TITLE VI—LIVING MARINE RESOURCES CONSERVATION, RESTORATION, AND MANAGEMENT ASSISTANCE

SEC. 601. PURPOSE.

The purpose of this title is to provide a dedicated source of funding for a coordinated program to—

(1) preserve biological diversity and natural assemblages of living marine resources, and their habitat; and

(2) provide financial assistance to the coastal States, private citizens, and nongovernmental entities for the conservation, restoration, and management of living marine resources and their habitat.

SEC. 602. FINANCIAL ASSISTANCE TO COASTAL STATES.

(a) AUTHORIZATION OF ASSISTANCE.—

(1) IN GENERAL.—The Secretary may use amounts allocated to an eligible coastal State under subsection (b) to reimburse the State for costs described in paragraph (3) that are incurred by the State.

(2) ELIGIBLE COASTAL STATES.—A coastal State shall be an eligible coastal State under paragraph (1) if—

1 (A) the State has a Living Marine Re-
2 sources Conservation Plan that is approved
3 under subsection (d); or
4 (B) the Secretary determines that the
5 State is making sufficient progress toward com-
6 pletion of such a plan.
7 (3) COSTS ELIGIBLE FOR REIMBURSEMENT.—
8 The costs referred to in paragraph (1) are the fol-
9 lowing:
10 (A) The costs of developing a Living Ma-
11 rine Resources Conservation Plan pursuant to
12 subsection (d), as follows:
13 (i) Not to exceed 90 of such costs in-
14 curred in each of the first three fiscal
15 years that begin after the date of the en-
16 actment of this Act.
17 (ii) Not to exceed 75 percent of such
18 costs incurred in each of the fourth and
19 fifth fiscal years that begin after the date
20 of the enactment of this Act.
21 (iii) Not to exceed 75 percent of such
22 costs incurred in the sixth or seventh year
23 that begins after the date of the enactment
24 of this Act (or both), upon a showing by
25 the State of a need for that assistance for

1 that year and a finding by the Secretary
2 that the plan is likely to be completed
3 within that 2-fiscal-year period.
4 (B) Not to exceed 75 percent of the costs
5 of implementing and revising an approved con-
6 servation plan.
7 (C) Not to exceed 90 percent of imple-
8 menting conservation actions under an ap-
9 proved conservation plan that are undertaken—
10 (i) in cooperation with one or more
11 other coastal States; or
12 (ii) in coordination with Federal ac-
13 tions for the conservation, restoration, or
14 management of living marine resources.–
15 (4) EMERGENCY FUNDING.—Notwithstanding
16 paragraph (1), the Secretary may reimburse a coast-
17 al State for 100 percent of the cost of conservation
18 actions on a showing of need by the State and if
19 those actions—
20 (A) are substantial in character and de-
21 sign;
22 (B) meet such of the requirements of sub-
23 section (d) as may be appropriate; and
24 (C) are considered by the Secretary to be
25 necessary to fulfill the purpose of this title.

1 (5) IN-KIND CONTRIBUTIONS; LIMITATION ON
2 INCLUDED COSTS.—(A) In computing the costs in-
3 curred by any State during any fiscal year for pur-
4 poses of paragraphs (1) and (4), the Secretary, sub-
5 ject to subparagraph (B), shall take into account, in
6 addition to each outlay by the State, the value of in-
7 kind contributions (including real and personal prop-
8 erty and services) received and applied by the State
9 during the year for activities for which the costs are
10 computed.
11 (B) In computing the costs incurred by any
12 State during any fiscal year for purposes of para-
13 graphs (1) and (4)—
14 (i) the Secretary shall not include costs
15 paid by the State using Federal moneys re-
16 ceived and applied by the State, directly or indi-
17 rectly, for the activities for which the costs are
18 computed; and
19 (ii) the Secretary shall not include in-kind
20 contributions in excess of 50 percent of the
21 amount of reimbursement paid to the State
22 under this subsection for the fiscal year.
23 (C) For purposes of subparagraph (A), in-kind
24 contributions may be in the form of, but are not re-
25 quired to be limited to, personal services rendered by

1 volunteers in carrying out surveys, censuses, and
2 other scientific studies regarding living marine re-
3 sources. The Secretary shall by regulation
4 establish—
5 (i) the training, experience, and other
6 qualifications which such volunteers must have
7 in order for their services to be considered as
8 in-kind contributions; and
9 (ii) the standards under which the Sec-
10 retary will determine the value of in-kind con-
11 tributions and real and personal property for
12 purposes of subparagraph (A).
13 (D) Any valuation determination made by the
14 Secretary for purposes of this paragraph shall be
15 final and conclusive.
16 (b) ALLOCATION OF FUNDS.—
17 (1) IN GENERAL.—The Secretary shall allocate
18 among all coastal States the funds available each fis-
19 cal year under section 604(b), as follows:
20 (A) A portion equal to ⅔ of the funds
21 shall be allocated by allocating to each coastal
22 State an amount that bears the same ratio to
23 that portion as the coastal population of the
24 State bears to the total coastal population of all
25 coastal States.

1 (B) A portion equal to ⅓ of the funds
2 shall be allocated by allocating to each coastal
3 State an amount that bears the same ratio to
4 that portion as the shoreline miles of the State
5 bears to the shoreline miles of all coastal
6 States.
7 (2) MINIMUM AND MAXIMUM ALLOCATIONS.—
8 Notwithstanding paragraph (1), the total amount al-
9 located to a coastal State under subparagraphs (A)
10 and (B) of paragraph (1) for a fiscal year shall be
11 not less than ½ of one percent, and not more than
12 10 percent, of the total amount of funds available
13 under section 604(b) for the fiscal year.
14 (c) AVAILABILITY OF FUNDS TO STATES.—
15 (1) IN GENERAL.—Amounts allocated to a
16 coastal State under this section for a fiscal year
17 shall be available for expenditure by the State in ac-
18 cordance with this section without further appropria-
19 tion, and shall remain available for expenditure for
20 the subsequent fiscal year.
21 (2) REVERSION.—(A) Except as provided in
22 subparagraph (B), amounts allocated under sub-
23 section (b)(1) to a coastal State for a fiscal year
24 that are not expended before the end of the subse-
25 quent fiscal year shall, upon the expiration of the

1 subsequent fiscal year, revert to the Fund and re-
2 main available for reallocation under subsection (b).
3 (B) Subparagraph (A) shall not apply to
4 amounts that are otherwise subject to reallocation
5 under this paragraph if the Secretary certifies in
6 writing that the purposes of this title would be bet-
7 ter served if the amounts remained available for use
8 by the coastal State.
9 (C) Amounts that remain available to a coastal
10 State pursuant to a certification under subpara-
11 graph (B) may remain available for a period speci-
12 fied by the Secretary in the certification, which shall
13 not exceed 2 fiscal years.
14 (d) APPROVAL OF COASTAL STATE LIVING MARINE
15 RESOURCES CONSERVATION PLANS.—
16 (1) SUBMISSION.—A coastal State that seeks fi-
17 nancial assistance under this section shall submit to
18 the Secretary, in such manner as the Secretary shall
19 by regulation prescribe, an application that contains
20 a proposed Living Marine Resources Conservation
21 Plan.
22 (2) REVIEW AND APPROVAL.—As soon as is
23 practicable, but no later than 180 days, after the
24 date on which a coastal State submits (or resubmits
25 in the case of a prior disapproval) an application for

1 the approval of a proposed Living Marine Resources
2 Conservation Plan, the Secretary shall—
3 (A) approve the plan, if the Secretary de-
4 termines that the plan—
5 (i) fulfills the purpose of this title;
6 (ii) is substantial in character and de-
7 sign; and
8 (iii) meets the requirements set forth
9 in subsection (e); or
10 (B) if the proposed plan does not meet the
11 criteria set forth in subparagraph (A), dis-
12 approve the conservation plan and provide the
13 coastal State—
14 (i) a written statement of the reasons
15 for disapproval;
16 (ii) an opportunity to consult with the
17 Secretary regarding deficiencies in the plan
18 and the modifications required for ap-
19 proval; and
20 (iii) an opportunity to revise and re-
21 submit the plan.
22 (e) LIVING MARINE RESOURCES CONSERVATION
23 PLANS.—The Secretary may not approve an Living Ma-
24 rine Resources Conservation Plan proposed by a coastal
25 State unless the Secretary determines that the plan—

1 (1) promotes balanced and diverse assemblages
2 of living marine resources;
3 (2) provides for the vesting in a designated
4 State agency the overall responsibility for the devel-
5 opment and revision of the plan;
6 (3) provides for an inventory of the living ma-
7 rine resources that are within the waters of the
8 State and are of value to the public for ecological,
9 economic, cultural, recreational, scientific, edu-
10 cational, and esthetic benefits;
11 (4) with respect to species inventoried under
12 paragraph (3) (in this subsection referred to as
13 "plan species"), provides for—
14 (A) determination of the size, range, and
15 distribution of their populations; and
16 (B) identification of the extent, condition,
17 and location of their habitats;
18 (5) provides for identification of any significant
19 factors which may adversely affect the plan species
20 and their habitats;
21 (6) provides for determination and implementa-
22 tion of the actions that should be taken to conserve,
23 restore, and manage the plan species and their habi-
24 tats;

1 (7) provides for establishment of priorities for
2 implementing conservation actions determined under
3 paragraph (6);
4 (8) provides for the monitoring, on a regular
5 basis, of the plan species and the effectiveness of the
6 conservation actions determined under paragraph
7 (6);
8 (9) provides for review and, if appropriate, revi-
9 sion of the plan, at intervals of not more than 3
10 years;
11 (10) ensures that the public is given oppor-
12 tunity to make its views known and considered dur-
13 ing the development, revision, and implementation of
14 the plan;
15 (11) identifies and establishes mechanisms for
16 coordinating conservation, restoration, and manage-
17 ment actions under the plan with appropriate Fed-
18 eral and interstate bodies with responsibility for liv-
19 ing marine resources management and conservation;
20 and
21 (12) provides for consultation by the State
22 agency designated under paragraph (2), as appro-
23 priate, with Federal and State agencies, interstate
24 bodies, nongovernmental entities, and the private
25 sector during the development, revision, and imple-

1 mentation of the plan, in order to minimize duplica-
2 tion of effort and to ensure that the best informa-
3 tion is available to all parties.

4 **SEC. 603. OCEAN CONSERVATION PARTNERSHIPS.**

5 (a) IN GENERAL.—The Secretary may use amounts
6 available under section 604(b) to make grants for the con-
7 servation, restoration, or management of living marine re-
8 sources.

9 (b) ELIGIBILITY AND APPLICATION.—Any person
10 may apply to the Secretary for a grant under this section,
11 in such manner as the Secretary shall by regulation pre-
12 scribe.

13 (c) REVIEW PROCESS.—Not later than 6 months
14 after receiving an application for a grant under this sec-
15 tion, the Secretary shall—

16 (1) request written comments on the project
17 proposal contained in the application from each
18 State or territory of the United States, and from
19 each Regional Fishery Management Council estab-
20 lished under the Magnuson-Stevens Fishery Con-
21 servation and Management Act (16 U.S.C. 1801 et
22 seq.), having jurisdiction over any area in which the
23 project is proposed to be carried out;

1 (2) provide for the merit-based peer review of
2 the project proposal and require standardized docu-
3 mentation of that peer review;
4 (3) after reviewing any written comments and
5 recommendations received under subsection (c)(1),
6 and based on such comments and recommendations
7 and peer review, approve or disapprove the proposal;
8 and
9 (4) provide written notification of that approval
10 or disapproval to the applicant.
11 (d) CRITERIA FOR APPROVAL.—The Secretary may
12 approve a proposal for a grant under this section only if
13 the Secretary determines that the proposed project—
14 (1) fulfills the purposes of this title;
15 (2) is substantial in character and design; and
16 (3) provide for the long-term conservation, res-
17 toration, or management of living marine resources.
18 (e) PRIORITY CONSIDERATION.—In approving and
19 disapproving proposals under this section, the Secretary
20 shall give priority to funding proposed projects that, in
21 addition to satisfying the criteria of subsection (d), will—
22 (1) establish or enhance existing cooperation
23 and coordination between the public and private sec-
24 tors;

1 (2) assist in achieving the objectives of a Na-
2 tional Estuary, National Marine Sanctuary, National
3 Estuarine Research, Reserve, or other marine pro-
4 tected area established under Federal or State law;
5 or
6 (3) assist in the conservation and enhancement
7 of essential fish habitat pursuant to the Magnuson
8 Fishery Conservation and Management Act (16
9 U.S.C. 1801 et seq.).
10 (f) LIMITATION ON AMOUNT OF GRANTS.—The
11 amount provided to a private person in a fiscal year in
12 the form of a grant under this section may not exceed
13 2 percent of the total amount available for the fiscal year
14 for such grants.
15 (g) TERMS AND CONDITIONS OF GRANTS.—The Sec-
16 retary shall require that each grantee under this section
17 shall conform with such record-keeping requirements, re-
18 porting requirements, and other terms and conditions as
19 the Secretary shall by regulation prescribe.
20 **SEC. 604. LIVING MARINE RESOURCES CONSERVATION**
21 **FUND; AVAILABILITY OF AMOUNTS.**
22 (a) ESTABLISHMENT OF FUND.—
23 (1) IN GENERAL.—There is established in the
24 Treasury of the United States a fund which shall be

1 known as the "Living Marine Resources Conserva-
2 tion Fund".
3 (2) CONTENTS.—The Fund shall consist of—
4 (A) amounts deposited into the Fund
5 under this section; and
6 (B) amounts that revert to the Fund under
7 section 602(c)(2).
8 (3) DEPOSIT OF OCS REVENUES.—Subject to
9 section 5 of this Act, from amounts received by the
10 United States as qualified Outer Continental Shelf
11 revenues each fiscal year, there shall be deposited
12 into the Fund the following:
13 (A) For each of fiscal years 2000 and
14 2001, $100,000,000.
15 (B) For each of fiscal years 2002, 2003,
16 and 2004, $200,000,000.
17 (C) For each of fiscal year 2005 and each
18 fiscal year thereafter, $300,000,000.
19 (b) AVAILABILITY OF AMOUNTS.—
20 (1) IN GENERAL.—Of amounts in the Fund, up
21 to the amount stated for a fiscal year in paragraph
22 (3) shall be available to the Secretary for that fiscal
23 year without further appropriation to carry out this
24 title, and shall remain available until expended.

1 (2) USE.—Of the amounts expended under this
2 subsection for a fiscal year—
3 (A) ⅔ shall be used by the Secretary for
4 providing financial assistance to coastal States
5 under section 602; and
6 (B) ⅓ shall be used by the Secretary for
7 grants under section 603.
8 (c) INVESTMENT OF EXCESS AMOUNTS.—The Sec-
9 retary of the Treasury shall invest moneys in the Fund
10 that are excess to expenditures in public debt securities
11 with maturities suitable to the needs of the Fund, as de-
12 termined by the Secretary of the Treasury, and bearing
13 interest at rates determined by the Secretary of the Treas-
14 ury, taking into consideration current market yields on
15 outstanding marketable obligations of the United States
16 of comparable maturity. Interest earned on such invest-
17 ments shall be deposited into the Fund.
18 **SEC. 605. DEFINITIONS.**
19 In this title:
20 (1) COASTAL POPULATION.—The term "coastal
21 population" means the population of all political
22 subdivisions, as determined by the most recent offi-
23 cial data of the Census Bureau, contained in whole
24 or in part within the designated coastal boundary of
25 a State as defined in a State's coastal zone manage-

1 ment program under the Coastal Zone Management
2 Act of 1972 (16 U.S.C. 1451 et seq.).
3 (2) FUND.—The term "Fund" means the Liv-
4 ing Marine Resources Conservation Fund established
5 by section 604.
6 (3) SECRETARY.—The term "Secretary" means
7 the Secretary of Commerce.
8 (4) LIVING MARINE RESOURCES.—The term
9 "living marine resources" means indigenous fin fish,
10 anadromous fish, mollusks, crustaceans, and all
11 other forms of marine animal and plant life, includ-
12 ing marine mammals and birds, that inhabit marine
13 or brackish waters of the United States during all
14 or part of their life cycle.

15 TITLE VII—FUNDING FOR STATE 16 NATIVE FISH AND WILDLIFE 17 CONSERVATION AND RES- 18 TORATION

19 **SEC. 701. AMENDMENTS TO FINDINGS AND PURPOSES.**

20 (a) FINDINGS.—Section 2(a) of the Fish and Wildlife
21 Conservation Act of 1980 (16 U.S.C. 2901(a)) is
22 amended—
23 (1) in paragraph (1) by striking "Fish and
24 wildlife" and inserting "Native fish and wildlife";
25 (2) in paragraph (2)—

(A) by striking "fish and wildlife, particularly nongame fish and wildlife" and inserting "native fish and wildlife, particularly nongame species"; and

(B) by striking "maintaining fish and wildlife" and inserting "maintaining biological diversity";

(3) in paragraph (3) by striking "fish and wildlife" and inserting "native fish and wildlife";

(4) in paragraph (4) by striking "nongame fish and wildlife" and inserting "native fish and wildlife"; and

(5) in paragraph (5) by striking "fish and wildlife" and all that follows through the end of the sentence and inserting "native fish and wildlife.".

(b) PURPOSES.—Section 2(b) of the Fish and Wildlife Conservation Act of 1980 (16 U.S.C. 2901(b)) is amended—

(1) by striking "nongame fish and wildlife" each place it appears and inserting "native fish and wildlife";

(2) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following:

"(1) to preserve biological diversity by maintaining natural assemblages of native fish and wildlife;"; and

(3) in paragraph (2), as redesignated, by inserting after "States" the following: "(and through the States to local governments where appropriate)".

SEC. 702. DEFINITIONS.

Section 3 of the Fish and Wildlife Conservation Act of 1980 (16 U.S.C. 2902) is amended—

(1) in paragraph (2) by striking "fish and wildlife" and inserting "native fish and wildlife";

(2) in paragraph (3)—

(A) by striking "fish and wildlife" and inserting "native fish and wildlife"; and

(B) by striking "development" and inserting "and restoration";

(3) in paragraph (4) by striking "fish and wildlife" and inserting "native fish and wildlife";

(4) by amending paragraph (5) to read as follows:

"(5) The term 'native fish and wildlife'—

"(A) subject to subparagraph (B), means a fish, animal, or plant species that—

1 "(i) historically occurred or currently
2 occurs in an ecosystem, other than as a re-
3 sult of an introduction; and
4 "(ii) lives in an unconfined state; and
5 "(B) does not include any population of a
6 domesticated species that has reverted to a feral
7 existence.
8 Any determination by the Secretary that a species is
9 or is not a species of native fish and wildlife for pur-
10 poses of this Act shall be final.";
11 (5) by striking paragraph (6) and redesignating
12 paragraphs (7) and (8) as paragraphs (6) and (7),
13 respectively; and
14 (6) by adding at the end the following:
15 "(8) The term 'Native Wildlife Fund' means
16 the Native Fish and Wildlife Conservation and Res-
17 toration Fund established by section 11.
18 "(9) The term 'qualified Outer Continental
19 Shelf revenues' has the meaning given that term in
20 section 4 of the Resources 2000 Act.".
21 **SEC. 703. CONSERVATION PLANS.**
22 Section 4 of the Fish and Wildlife Conservation Act
23 of 1980 (16 U.S.C. 2903) is amended—
24 (1) by redesignating paragraphs (1) through
25 (10) in order as paragraphs (2) through (11);

1 (2) by inserting before paragraph (2) (as so re-
2 designated) the following:
3 "(1) promote balanced and diverse assemblages
4 of native fish and wildlife;";
5 (3) in paragraph (3) (as so redesignated) by
6 striking "nongame" and all that follows through
7 "appropriate," and inserting "native fish and wild-
8 life";
9 (4) in paragraph (4) (as so redesignated) by
10 striking "(2)" and inserting "(3)";
11 (5) in paragraph (5) (as so redesignated) by
12 striking "problems" and inserting "factors"; and
13 (6) in paragraphs (7) and (8) (as so redesig-
14 nated) by striking "(5)" and inserting "(6)".
15 **SEC. 704. CONSERVATION ACTIONS IN ABSENCE OF CON-**
16 **SERVATION PLAN.**
17 (a) IN GENERAL.—Section 5 of the Fish and Wildlife
18 Conservation Act of 1980 (16 U.S.C. 2904) is amended—
19 (1) in the section heading by striking
20 "**NONGAME**";
21 (2) by striking subsection (c), and redesignating
22 subsection (d) as subsection (c); and
23 (3) in subsection (c) (as so redesignated) by—
24 (A) in the subsection heading, by striking
25 "NONGAME";

1 (B) striking "nongame fish and wildlife"
2 and inserting "native fish and wildlife"; and
3 (C) striking "and" after the semicolon at
4 the end of paragraph (1), striking the period at
5 the end of paragraph (2) and inserting "; and",
6 and adding at the end the following:
7 "(3) are consistent with the purposes of this
8 Act.".
9 (b) CONFORMING AMENDMENTS.—Section 6 of the
10 Fish and Wildlife Conservation Act of 1980 (16 U.S.C.
11 2905) is amended by striking "section 5(c) and (d)" each
12 place it appears and inserting "section 5(c)".
13 **SEC. 705. AMENDMENTS RELATING TO REIMBURSEMENT**
14 **PROCESS.**
15 Section 6 of the Fish and Wildlife Conservation Act
16 of 1980 (16 U.S.C. 2905) is amended—
17 (1) in the section heading by striking
18 "**NONGAME**";
19 (2) in subsection (a)(3) by striking "nongame
20 fish and wildlife";
21 (3) in subsection (d) by striking "appropriated"
22 and inserting "available";
23 (4) in subsection (e)(2)—
24 (A) in subparagraph (A) by striking
25 "1991" and inserting "2010";

(B) in subparagraph (B)—

(i) by striking "1986" and inserting "2005";

(ii) by striking "section 5(d)" and inserting "section 5(c)";

(iii) by striking "nongame fish and wildlife" and inserting "conservation"; and

(iv) by adding "or" after the semicolon;

(C) by striking subparagraphs (C), (D), and (E);

(D) by redesignating subparagraph (F) as subparagraph (C);

(E) in subparagraph (C) (as so redesignated) by striking "nongame fish and wildlife" and inserting "native fish and wildlife"; and

(F) in subparagraph (C)(ii) (as so redesignated) by striking "10 percent" and inserting "50 percent";

(5) in subsection (e)(3)—

(A) in subparagraph (A) by striking "1982, 1983, and 1984" and inserting "2001, 2002, and 2003";

(B) in subparagraph (B) by striking "nongame fish and wildlife"; and

1 (C) by amending subparagraph (D) to read
2 as follows:
3 "(D) after September 30, 2010, may not
4 exceed 75 percent of the cost of implementing
5 and revising the plan during the fiscal year.";
6 and
7 (6) in subsection (e)(4)—
8 (A) in subparagraph (A) by striking
9 "nongame fish and wildlife"; and
10 (B) in subparagraph (B) by striking "fish
11 and wildlife" and inserting "native fish and
12 wildlife".

13 **SEC. 706. ESTABLISHMENT OF NATIVE FISH AND WILDLIFE**
14 **CONSERVATION AND RESTORATION TRUST**
15 **FUND; AVAILABILITY OF AMOUNTS.**

16 (a) ESTABLISHMENT OF FUND.—Section 11 of the
17 Fish and Wildlife Conservation Act of 1980 (16 U.S.C.
18 2910) is amended to read as follows:

19 **"SEC. 11. NATIVE FISH AND WILDLIFE CONSERVATION AND**
20 **RESTORATION FUND.**

21 "(a) ESTABLISHMENT OF FUND.—(1) There is estab-
22 lished in the Treasury of the United States a fund which
23 shall be known as the 'Native Fish and Wildlife Conserva-
24 tion and Restoration Fund'. The Native Fish and Wildlife

1 Conservation Fund shall consist of amounts deposited into
2 the Fund under this subsection.
3 "(2) Subject to section 5 of the Resources 2000 Act,
4 from amounts received by the United States as qualified
5 Outer Continental Shelf revenues each fiscal year, there
6 shall be deposited into the Fund the following amounts:
7 "(A) For each of fiscal years 2000 and 2001,
8 $100,000,000.
9 "(B) For each of fiscal years 2002, 2003, and
10 2004, $200,000,000.
11 "(C) For fiscal year 2005 and each fiscal year
12 thereafter, $350,000,000.
13 "(3) The Secretary of the Treasury shall invest mon-
14 eys in the Fund that are excess to expenditures in public
15 debt securities with maturities suitable to the needs of the
16 Fund, as determined by the Secretary of the Treasury,
17 and bearing interest at rates determined by the Secretary
18 of the Treasury, taking into consideration current market
19 yields on outstanding marketable obligations of the United
20 States of comparable maturity. Interest earned on such
21 investments shall be deposited into the Fund.
22 "(b) AVAILABILITY FOR REIMBURSEMENT TO
23 STATES.—Of amounts in the Native Wildlife Fund—
24 "(1) up to the amount stated in subsection
25 (a)(2) for a fiscal year shall be available to the Sec-

1 retary of the Interior for that fiscal year, without
2 further appropriation, to reimburse States under
3 section 6 in accordance with the terms and condi-
4 tions that apply under sections 7 and 8; and
5 "(2) shall remain available until expended.".
6 (b) CONFORMING AMENDMENTS.—Section 8 of the
7 Fish and Wildlife Conservation Act of 1980 (16 U.S.C.
8 2907) is amended—
9 (1) in subsection (a) by striking "appropriated"
10 and inserting "available"; and
11 (2) in subsection (b)—
12 (A) in the matter preceding paragraph (1)
13 by striking "appropriated" and inserting "avail-
14 able"; and
15 (B) in paragraph (1)—
16 (i) by striking "8 percent" and insert-
17 ing "2 percent"; and
18 (ii) by striking "the purposes for
19 which so appropriated" and inserting "the
20 purposes for which the amount is avail-
21 able".

TITLE VIII—ENDANGERED AND THREATENED SPECIES RECOVERY

SEC. 801. PURPOSES.

The purposes of this title are the following:

(1) To provide a dedicated source of funding to the Fish and Wildlife Service and the National Marine Fisheries Service for the purpose of implementing an incentives program to promote the recovery of endangered species and threatened species and the habitat upon which they depend.

(2) To promote greater involvement by non-Federal entities in the recovery of the Nation's endangered species and threatened species and the habitat upon which they depend.

SEC. 802. ENDANGERED AND THREATENED SPECIES RECOVERY ASSISTANCE.

(a) FINANCIAL ASSISTANCE.—The Secretary may use amounts in the Endangered and Threatened Species Recovery Fund established by section 804 to provide financial assistance to any person for development and implementation of Endangered and Threatened Species Recovery Agreements entered into by the Secretary under section 804.

1 (b) PRIORITY.—In providing assistance under this
2 section, the Secretary shall give priority to the develop-
3 ment and implementation of recovery agreements that—
4 (1) implement actions identified under recovery
5 plans approved by the Secretary under section 4(f)
6 of the Endangered Species Act of 1973 (16 U.S.C.
7 1533(f));
8 (2) have the greatest potential for contributing
9 to the recovery of an endangered or threatened spe-
10 cies; and
11 (3) to the extent practicable, require use of the
12 assistance—
13 (A) on land owned by a small landowner;
14 or
15 (B) on a family farm by the owner or oper-
16 ator of the family farm.
17 (c) PROHIBITION ON ASSISTANCE FOR REQUIRED
18 ACTIVITIES.—The Secretary may not provide financial as-
19 sistance under this section for any action that is required
20 by a permit issued under the Endangered Species Act of
21 1973 (16 U.S.C. 1531 et seq.) or that is otherwise re-
22 quired under that Act or any other Federal law.
23 (d) PAYMENTS UNDER OTHER PROGRAMS.—
24 (1) OTHER PAYMENTS NOT AFFECTED.—Finan-
25 cial assistance provided to a person under this sec-

1 tion shall be in addition to, and shall not affect, the
2 total amount of payments that the person is other-
3 wise eligible to receive under the conservation re-
4 serve program established under subchapter B of
5 chapter 1 of subtitle D of title XII of the Food Se-
6 curity Act of 1985 (16 U.S.C. 3831 et seq.), the
7 wetlands reserve program established under sub-
8 chapter C of that chapter (16 U.S.C. 3837 et seq.),
9 or the Wildlife Habitat Incentives Program estab-
10 lished under section 387 of the Federal Agriculture
11 Improvement and Reform Act of 1996 (16 U.S.C.
12 3836a).
13 (2) LIMITATION.—A person may not receive fi-
14 nancial assistance under this section to carry out ac-
15 tivities under a species recovery agreement in addi-
16 tion to payments under the programs referred to in
17 paragraph (1) made for the same activities if the
18 terms of the species recovery agreement do not re-
19 quire financial or management obligations by the
20 person in addition to any such obligations of the
21 person under such programs.

1 **SEC. 803. ENDANGERED AND THREATENED SPECIES RE-**
2 **COVERY AGREEMENTS.**

3 (a) IN GENERAL.—The Secretary may enter into En-
4 dangered and Threatened Species Recovery Agreements
5 for purposes of this title in accordance with this section.

6 (b) REQUIRED TERMS.—The Secretary shall include
7 in each species recovery agreement provisions that—

8 (1) require the person—

9 (A) to carry out on real property owned or
10 leased by the person activities not otherwise re-
11 quired by law that contribute to the recovery of
12 an endangered or threatened species;

13 (B) to refrain from carrying out on real
14 property owned or leased by the person other-
15 wise lawful activities that would inhibit the re-
16 covery of an endangered or threatened species;
17 or

18 (C) to do any combination of subpara-
19 graphs (A) and (B);

20 (2) describe the real property referred to in
21 paragraph (1)(A) and (B) (as applicable);

22 (3) specify species recovery goals for the agree-
23 ment, and measures for attaining such goals;

24 (4) require the person to make measurable
25 progress each year in achieving those goals, includ-
26 ing a schedule for implementation of the agreement;

1 (5) specify actions to be taken by the Secretary
2 or the person (or both) to monitor the effectiveness
3 of the agreement in attaining those recovery goals;
4 (6) require the person to notify the Secretary
5 if—
6 (A) any right or obligation of the person
7 under the agreement is assigned to any other
8 person; or
9 (B) any term of the agreement is breached
10 by the person or any other person to whom is
11 assigned a right or obligation of the person
12 under the agreement;
13 (7) specify the date on which the agreement
14 takes effect and the period of time during which the
15 agreement shall remain in effect;
16 (8) provide that the agreement shall not be in
17 effect on and after any date on which the Secretary
18 publishes a certification by the Secretary that the
19 person has not complied with the agreement; and
20 (9) allocate financial assistance provided under
21 this title for implementation of the agreement, on an
22 annual or other basis during the period the agree-
23 ment is in effect based on the schedule for imple-
24 mentation required under paragraph (4).

1 (c) REVIEW AND APPROVAL OF PROPOSED AGREE-
2 MENTS.—Upon submission by any person of a proposed
3 species recovery agreement under this section, the
4 Secretary—
5 (1) shall review the proposed agreement and de-
6 termine whether it complies with the requirements of
7 this section and will contribute to the recovery of en-
8 dangered or threatened species that are the subject
9 of the proposed agreement;
10 (2) propose to the person any additional provi-
11 sions necessary for the agreement to comply with
12 this section; and
13 (3) if the Secretary determines that the agree-
14 ment complies with the requirements of this section,
15 shall approve and enter with the person into the
16 agreement.
17 (d) MONITORING IMPLEMENTATION OF AGREE-
18 MENTS.—The Secretary shall—
19 (1) periodically monitor the implementation of
20 each species recovery agreement entered into by the
21 Secretary under this section; and
22 (2) based on the information obtained from
23 that monitoring, annually or otherwise disburse fi-
24 nancial assistance under this title to implement the

1 agreement as the Secretary determines is appro-
2 priate under the terms of the agreement.

3 **SEC. 804. ENDANGERED AND THREATENED SPECIES RE-**
4 **COVERY FUND; AVAILABILITY OF AMOUNTS.**

5 (a) ESTABLISHMENT OF FUND.—
6 (1) ESTABLISHMENT.—There is established in
7 the Treasury of the United States a fund that shall
8 be known as the "Endangered and Threatened Spe-
9 cies Recovery Fund". The Fund shall consist of such
10 amounts as are deposited into the Fund under this
11 section.
12 (2) DEPOSITS.—Subject to section 5 of this
13 Act, from amounts received by the United States as
14 qualified Outer Continental Shelf revenues there
15 shall be deposited into the Fund $100,000,000 each
16 fiscal year.
17 (b) AVAILABILITY.—Of amounts in the Fund up to
18 $100,000,000 shall be available to the Secretary each fis-
19 cal year, without further appropriation, for providing fi-
20 nancial assistance under section 802, and shall remain
21 available until expended.
22 (c) INVESTMENT OF EXCESS AMOUNTS.—The Sec-
23 retary of the Treasury shall invest moneys in the Fund
24 that are excess to expenditures in public debt securities
25 with maturities suitable to the needs of the Fund, as de-

1 termined by the Secretary of the Treasury, and bearing
2 interest at rates determined by the Secretary of the Treas-
3 ury, taking into consideration current market yields on
4 outstanding marketable obligations of the United States
5 of comparable maturity. Interest earned on such invest-
6 ments shall be deposited into the Fund.

7 **SEC. 805. DEFINITIONS.**

8 In this title:

9 (1) ENDANGERED OR THREATENED SPECIES.—
10 The term "endangered or threatened species" means
11 any species that is listed as an endangered species
12 or threatened species under section 4 of the Endan-
13 gered Species Act of 1973 (16 U.S.C. 1533).

14 (2) FAMILY FARM.—The term "family farm"
15 means a farm that—

16 (A) produces agricultural commodities for
17 sale in such quantities so as to be recognized in
18 the community as a farm and not as a rural
19 residence;

20 (B) produces enough income, including off-
21 farm employment, to pay family and farm oper-
22 ating expenses, pay debts, and maintain the
23 property;

24 (C) is managed by the operator;

1 (D) has a substantial amount of labor pro-
2 vided by the operator and the operator's family;
3 and
4 (E) uses seasonal labor only during peak
5 periods, and uses no more than a reasonable
6 amount of full-time hired labor.
7 (3) FUND.—The term "Fund" means the En-
8 dangered and Threatened Species Recovery Fund es-
9 tablished by section 804.
10 (4) SECRETARY.—The term "Secretary" means
11 the Secretary of the Interior or the Secretary of
12 Commerce, in accordance with section 3 of the En-
13 dangered Species Act of 1973 (16 U.S.C. 1532).
14 (5) SMALL LANDOWNER.—The term "small
15 landowner" means an individual who owns 50 acres
16 or fewer of land.
17 (6) SPECIES RECOVERY AGREEMENT.—The
18 term "species recovery agreement" means an En-
19 dangered and Threatened Species Recovery Agree-
20 ment entered into by the Secretary under section
21 803.

○

Testimony Before

US CONGRESS
HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

HR 701 — Conservation and Reinvestment Act of 1999
and
HR 798 — Permanent Protection For America's Resources 2000 Act.

March 31, 1999
Anchorage, Alaska

by Ray Kreig
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Thank you Mr. Chairman, for ensuring that testimony from Alaskans is heard by the Committee on these two pieces of legislation, either of which, if enacted in their present form, will ultimately have profound and far reaching effects on people living and doing business in rural America and especially here in Alaska.

I am Ray Kreig. I came to Alaska in 1970 and I'm an inholder in four places: Kantishna in Denali National Park; Millers Camp in Yukon Charley National Preserve; Three Saints Bay in Kodiak National Wildlife Refuge; and Treat on the Big Piney Creek National Scenic River in the Ozark National Forest, Arkansas. I am Chairman of the Kantishna Inholders Association and Chairman of the Arkansas Scenic Rivers Landowner Association. Today I am here testifying in an individual capacity.

Before proceeding Mr. Chairman, even though my time is limited and there are many important things which must be said within the five minutes allotted to witnesses, I want to recognize your three decade long career in service to the people of Alaska. You and your family's roots go deep in our state. You've served as a boat captain on the mighty rivers of our interior. You know the land. And you have used that knowledge to defend the lands, mining claims, businesses, and rights of rural Alaskans that have continued under siege since the D-2 struggles of the 1970's. I thank you.

ANILCA IMPLEMENTATION IS PROLOGUE TO LANDOWNERS FUTURE UNDER A LAND TRUST

President Carter declared national monuments across Alaska in 1979 and the conflict raged between those who wanted to lock up as much of the state as possible and those who had a more balanced perspective that recognized human habitation and economic activity as a normal part of the landscape.

The Alaska National Interest Lands and Conservation Act was a grand compromise. No party received everything that it wanted, but the deal crafted by Congress incorporated guarantees of access, and valid existing rights for communities, land owners and residents who were enveloped in the new conservation system units. The presence of these guarantees in ANILCA substantially calmed the passions and fears of those affected by the monument declarations.

But, Mr. Chairman, as you well know, the intent of Congress as codified in ANILCA was not followed. Since then you have seen how promises made to inholders of the conservation system units to preserve our existing rights of access and economic activity have been abridged, undermined, and disregarded by the federal government.

You have been a champion for Alaska's rural residents, and I think you know very well from this experience the difficulties of designing protections in legislation that will self execute properly, without unintended consequences, in the face of a well financed and determined bureaucracy working with special interest groups that do not agree with objectives embodied in an original legislative compromise.

Where I am going with this is that the private property protections in HR 701 are weak and will be ineffective in protecting land owners from agencies and vocal pressure groups who really want Congress to give them the unchecked condemnation powers in HR 798. As long as you supply the trust fund money, the ultimate result will be the same as under HR 798.

The protection of valid existing rights in ANILCA was undermined — in many cases by the very agencies charged with implementing the will of Congress. Let me mention just one example of many: Mining.

The right to produce one's claim was a valid existing right that Congress intended to continue in the new conservation system units. Within only seven years of passage of ANILCA, the National Park Service acquiesced to a friendly lawsuit filed by environmental organizations and mining in all of Alaska's national parks was shut down by injunction. The miners then suffered years of flagrant abuse as they were dragged through insincere and biased mining claim validity determinations and burdensome attempts to comply with ever increasing Park Service demands for more and more detailed mining plans of operations, all designed to exhaust the resources of claim holders and increase their risk and expense, ultimately driving many of them into bankruptcy (see Senator Murkowski's November 6, 1993 hearings, *Mining Activities in Units of the National Park Service in Alaska*).

Mr. Chairman, mining is just one example. There are many others: denial of access, the current controversy over snow machine access regulations, fishing in Glacier Bay, etc.

Mr. Chairman, in 1981 rural residents and users of the lands trusted in the fair administration and execution of the ANILCA compromise crafted by Congress. Had they been able to look even the short time of ten years ahead at the unfairness and bias of implementation, things might not have quieted down at all!

It is this recent history of the disregard of the intent of Congress as expressed in a nationally agreed upon compromise that makes me fear and forecast that the weak land owner protections in HR 701 will easily be undermined and circumvented, and in the end will be ineffective. How the agencies will get around the prohibition on condemnation is well described, Mr. Chairman, in the letter sent to you on 2/8/99 by Frontiers of Freedom Policy Director Myron Ebell (attached).

Based solely on my own self interest, maybe I should support these bills, HR 701 and HR 798. As a property owner in four places presumably targeted by these two bills there would be a lot of money available. However, taking a longer view, society will be better off if less land is transferred from private to government ownership. I, like most inholders, want and plan to use or enjoy my property, not sell it to the government.

I am not opposed to government purchase of private lands when there is an adequately reasoned public purpose. However, a dedicated off-budget trust fund is created by both of these bills. That feature places private land acquisition by government at an unreasonably high level of national priority. I have reviewed the 1,600 pages of hearings held from 1988 to 1990 on the American Heritage Trust Act, which also proposed a similar land acquisition trust fund. Nowhere was there reference to a cost-benefit study that would help the American people decide whether the expense to the federal treasury and the dislocations and social costs to rural America are justified.

Government land acquisition in the political climate of the last 30 years is a one way street. Mistakes made are virtually impossible to repair. The cumulative effect of government land purchases, even when only truly willing sellers are involved, eventually will strangle and kill a community and local culture.

When North Cascades National Park was created in 1968, the National Park Service and the environmental community wanted the Lake Chelan community of Stehekin inside the park. Congress said no and specifically directed that it was to be excluded and placed in a less restrictive national recreation area. To protect the community, lands were not to be acquired. In direct contravention of Congressional intent, only 13 years later, the National Park Service had acquired most of the real estate in Stehekin, and the town died. The General Accounting Office audit ordered by Congress revealed that the National Park Service disagreed with the intent of Congress and the NPS went ahead and destroyed the community anyway. The GAO audit recommended that the Park Service be forced to divest the lands back to private owners, but this was not carried out. Today, Stehekin largely remains in government ownership.

QUESTIONS

Several basic questions become apparent after consideration of the debate over these bills:

1) **What reason is there for net transfer of even one more acre of private land in Alaska to the federal government?** In Alaska it should not even be a goal to have "No Net Loss of Private Land". Exclusive of native corporations, there is

only one third of one percent of our state in private land as it is! We should be going in the other direction, conveying more federal land to private ownership.

2) A wise steward takes care of and protects what he has before buying even more land. Everyone agrees there is an unmet multi billion dollar maintenance backlog on government property and facilities already. **Why can't LWCF funds be freed up to address this backlog? Why restrict use of the federal LWCF funds to land purchases?**

POSITION ON BILLS

HR 798, is similar in concept to the massive land acquisition agenda of the American Heritage Trust Act of 10 years ago. Both are based on the unappropriated trust fund concept. I didn't believe this was good public policy in 1988 nor do I believe it is now. It should be rejected, as it was by Congress in 1990 after an outcry by Americans across the country.

HR 701 has the desirable feature of sharing the revenue from outer continental shelf leasing funds with affected coastal states and communities.

Mr. Chairman, you may think that in HR 701 you are crafting a grand congressional compromise similar to ANILCA. However, also similar to ANILCA, there will be those powerful interest groups and agencies that will not be satisfied with your "compromise". They will actively start undermining it with confederates in the resource agencies the day after it is signed. The trust fund properties of its Title II will be an open invitation to abuse by those who wish to thwart and circumvent the will of Congress. The recent lessons from ANILCA history demonstrate that ways have not been perfected to effectively manage agencies that are dissatisfied with direction they receive from Congress. This will be especially so with funding not subject to annual appropriation and review. Please do not deceive us. Do not repeat the mistakes of ANILCA.

For these reasons, HR 701 is fatally flawed and any benefits from the revenue sharing will not be worth the terrible cost to American values and society that will result from the land trust entitlement. In closing, I refer to Resolution S99-12 recently passed unanimously by the Organizational Convention of the California Republican Party. I cannot improve on their reasoning:

A RESOLUTION OF THE CALIFORNIA REPUBLICAN PARTY (S99-12)

RESOLUTION OPPOSING S. 25 AND H.R. 701
Relating to the Expansion of the Federal Land Estate

WHEREAS, nearly forty seven percent of the state of California is already federal land and vast portions of the states in the West are federal holdings; and

WHEREAS, the expansion of the federal estate would serve to decrease local property tax bases, disrupt rural economies, further decrease our important

natural resource-based industries, and interfere with the basic freedom of owning private property while doing little or nothing to improve the quality of the environment; and

WHEREAS, when certain specific purchases of lands by the federal government are justified they should be after the specific debate and approval of Congress; and

WHEREAS, the California Republican Party is the party of freedom, individual liberty, and private enterprise, and the expansion of the federal land estate is directly contrary to Republican ideals; now

THEREFORE BE IT RESOLVED, that the California Republican Party strongly opposes any new initiative by Congress to create land trust funds from the Land and Water Conservation Fund or any other revenue stream that is an entitlement program or serves the purpose of expanding the already vast amount of land holdings; and

BE IT FURTHER RESOLVED, that the California Republican Party strongly urges other state and local governments to also oppose S. 25, H.R. 701, or any expansion of the federal estate or creation of a land trust fund. (2/28/99)

Mr. Chairman, I thank you.

KEY BACKGROUND SOURCES

Internet Websites

U.S. Congress, House Resources Committee: **www.house.gov/resources/ocs**
American Land Rights Association website: **www.landrights.org**

Hearings

American Heritage Trust Act of 1988 — HOUSE — May 17 and 19, 1988, Washington, DC; June 24, 1988, Atlanta, GA; June 24, 1988, Denver, CO; June 24, 1988, Philadelphia, PA — *877 pages.* GOV DOC NO: Y 4.In 8/14:100-62

American Heritage Trust Act of 1989 — HOUSE — Washington, DC, April 6, 1989 — *315 pages.* GOV DOC NO: Y 4.In 8/14:101-12

American Heritage Trust Act — SENATE — Washington, DC, April 25, 1990 — *406 pages.* GOV DOC NO: Y 4.En2:S.hrg.101-754

Mining Activities in Units of the National Park Service in Alaska — SENATE — Anchorage, AK, November 6, 1993 — 124 pages. GOV DOC NO:

Trends in federal landownership and management — HOUSE — Washington, DC. March 2, 1995 — 91 pages. GOV DOC NO: Y 4 R 31/3:104-3

Trends in federal landownership — SENATE — Washington, DC. February 6, 1996 — 70 pages. GOV DOC NO: Y 4 EN2:S HRG.104-423

Newspaper Articles

Feds Private Land Purchase Trust: a Bad Idea by Rick Kenyon. Reprinted in the Voice of the Times, *Anchorage Daily News*, March 12, 1999 — *INCLUDED WITH THIS TESTIMONY, PAGES 15 TO 17.*

Other

American Land Rights Association Response to Misleading Information Issued by Congressional Committee Staffs on The Conservation And Reinvestment Act (HR 4717, 105th Congress and S 25, 106th Congress) — *INCLUDED WITH THIS TESTIMONY, PAGES 7 TO 10.*

2/8/99 Letter to Chairman Don Young from Myron Ebell, National Policy Director, Frontiers of Freedom — *INCLUDED WITH THIS TESTIMONY, PAGES 10 TO 15.*

American Land Rights Association Response to Misleading Information Issued by Congressional Committee Staffs on The Conservation And Reinvestment Act (HR 4717, 105th Congress and S 25, 106th Congress)

On 1/15/99 House Resources Committee Chairman Don Young's office sent out a comment sheet entitled THE TRUTH ABOUT THE CONSERVATION AND REINVESTMENT ACT. It is the same sheet that was sent by Senate Energy Committee Chairman Frank Murkowski's office about the same time. *The text on this sheet is given below in italics;* ***committee staff's version of private property concerns received, "Allegation", is given in bold italics.***

American Land Rights Association Comment is given in bold. Prepared by Chuck Cushman and Ray Kreig 1/18/99; revised 1/27/99 to reflect the minor changes in the reintroduced S 25.

"ALLEGATION": The bill is a threat to private landowners.

COMMITTEE STAFF "FACT": The bill only provides money for willing sellers -- persons who may have been willing for years to be made whole by the Federal government. It does not authorize any condemnation authority.

ALRA - THE REAL STORY: The fund restriction on land condemnation for FEDERAL purposes is a deceptively alluring "protection." Myron Ebell, policy director of Frontiers of Freedom says "THE BILL PROHIBITS CONDEMNATION, BUT THIS PROTECTION FOR PRIVATE PROPERTY OWNERS IS LARGELY COSMETIC. FEDERAL LAND AGENCIES HAVE PERFECTED METHODS FOR USING FEDERAL ENVIRONMENTAL REGULATIONS AND LAND MANAGEMENT LAWS TO COERCE PRIVATE OWNERS INTO SELLING THEIR LAND TO THE GOVERNMENT." Providing the funding through a dedicated, off budget perpetual money pipeline gives the agencies the funds to pressure landowners to sell. There are numerous instances where federal agencies have managed to acquire land even when specifically ordered by Congress not to (example: North Cascades National Park). As long as they are supplied with money, Federal managers have ways of dealing with landowners that they can not legally condemn. They will create even more "hardship cases" (legally so-called "willing sellers") by using tactics such as ceasing road maintenance or snow removal, closing roads, scaring buyers off with threats of regulation, withdrawing permits, causing circuitous routing that increases the costs of utility lines, and other harassment stopping just short of outright condemnation. This is why, since 1978, the House Appropriations Committee has retained the responsibility to oversee all land acquisitions. While Congress has generally done a poor job of this oversight at least there is now a forum and some opportunity to confront the worst system abuses that occur. THIS OFF BUDGET TRUST WILL END ACCOUNTABILITY AND OPEN THE WAY TO EVEN MORE ABUSE. The fund restriction on land condemnation is completely lacking on the grants provided that would allow STATE AND LOCAL GOVERNMENTS to be conduits for private land condemnation. In addition, it is not fiscally responsible to take such a large amount of money out of the yearly budget prioritization which is a weighing process which should be done against national needs that change from year to year.

"ALLEGATION": Congressman Young (Senator Murkowski) is sponsoring a bill to make a $1.5 billion land acquisition trust fund.

COMMITTEE STAFF "FACT": At no time are funding levels even close to $1.5 billion for Federal land acquisition. Congressman Young (Senator Murkowski), along with the House authors, are sponsoring a bill to provide a portion of Federal revenue generated from Outer Continental Shelf oil and gas production to coastal states. The bill also provides money to fund the Land and Water Conservation Fund and state wildlife conservation programs. At present, states are receiving no monies from OCS revenues for important infrastructure, park, recreation, and wildlife programs.

ALRA - THE REAL STORY: This one time decision to set up multiple year entitlement funding can result in many billions of dollars being spent for land purchases in the next decade. As long as yearly appropriation votes are to be eliminated, THIS IS A MULTI BILLION DOLLAR DECISION. The bill mandates that 42% of the Title II funds must be used for Federal land acquisition ($159 million nationally). There is no prohibition in the bill on using the remaining funds in the $2 billion off budget trust for land acquisition. The step of moving from yearly appropriation and accountability for land acquisition funding to an unsupervised perpetual fund is a dangerous and dramatic change that gives immense latitude and discretion to unelected bureaucrats. NO WAY TO GET RID OF AN ENTITLEMENT LIKE THIS ONCE IT STARTS.

"ALLEGATION": The bill is a threat to private property ownership throughout Alaska.

COMMITTEE STAFF "FACT": The bill does not impact any private property in Alaska, or anywhere else in the United States. Rather, the bill provides significant new revenues to the State of Alaska including more then $110 million for coastal and marine programs, $16 million for state and local park and recreation programs and $23 million for state wildlife conservation and education programs.

ALRA - THE REAL STORY: TO SAY THAT THE BILL DOES NOT IMPACT ANY PRIVATE PROPERTY IS BLATANTLY UNTRUE AND MISLEADING FOR THE REASONS STATED ABOVE (AND BELOW). A minimum of $6.9 million/year is earmarked for Federal private land acquisition right here in Alaska and there is no prohibition against spending even more for that purpose as long as it is designed to be done under other parts of this bill. Consider what happened with the $900 million Exxon Valdez Oil Spill Settlement Trust. Half the money was used to buy private land in a state that is already 88% government owned! This result was never contemplated when the EVOS trust was set up. The money was supposed to be used for research and rehabilitation.

"ALLEGATION": Bill supports land trusts, like the Nature Conservancy.

COMMITTEE STAFF "FACT": The bill does not provide money for the Nature Conservancy or other land trusts.

ALRA - THE REAL STORY: ALSO UNTRUE. There is no prohibition in the bill of land trust involvement. Just because they are not mentioned by name in the bill as recipients does not mean that they will not continue to be conduits for Federal land purchase money as they always have been.

"ALLEGATION": The bill would guarantee Federal agencies the money to attack landowners year after year.

COMMITTEE STAFF "FACT": The bill does not provide regulatory authority to Federal agencies. It only provides funds to compensate willing sellers, many of whom have been waiting for decades, for compensation from the Federal govemment. It does not authorize any additional acreage to the Federal estate in Alaska or any other state. It does not provide Federal agencies with any condemnation authority.

ALRA - THE REAL STORY: THE BILL IS DANGEROUS BECAUSE IT PROVIDES MASSIVE AMOUNTS OF STEADY, UNSUPERVISED MONEY FOR BUREAUCRATS TO ABUSE THE AUTHORITY THEY ALREADY POSSESS. It is not necessary to provide any new regulatory authority; Federal agencies already have condemnation powers. The money provided by the bill will certainly result in substantial additional acreage being transferred to the Federal government within existing authorizations which have been unrealistically large for years and which have been unfunded. In reality, true "hardship cases" are rare. Congress must not allow itself to be duped into funding massive land purchases to address the few hardships out there. This bill will create even more hardship cases! Finally, government shouldn't be in the position of buying land just because someone says they are a hardship case. Congress must not abdicate its responsibility to watch where taxpayers money is being spent. Congress must continue to judge project worthiness.

"ALLEGATION": The bill will give immense new regulatory power to the Federal land management agencies.

COMMITTEE STAFF "FACT": The bill does not give the Federal land management agencies any new authorities. In fact, the bill places additional restrictions on Federal land acquisition in three separate clauses. First, Federal land acquisition only can occur within the exterior boundaries of units established by an Act of Congress and not units established by Federal agencies. Second, any project in excess of $1 million must be approved by Congress. Last, the bill also mandates that two-thirds of the Federal land acquisitions occur in the eastern United States. (* Now raised to $5 million in S 25.)*

ALRA - THE REAL STORY: It is ludicrous to claim that the bill has three additional clauses restricting Federal land acquisition! Clauses one and three apply to less than 8% of the trust funding (the Federal portion of the Title II). Clause two applies to only 18% of the trust funding (all of Title II). The rest of the funding is outside the scope of all three clauses -- and in any event they are not really effective restrictions anyway for the following reasons:

*** First clause -- The exterior boundaries of units established by Congress refer to units such as National Parks, National Monuments, National Forests, National Wild and Scenic Rivers, National Wildlife Refuges etc. These areas typically have thousands of acres of private lands inside the original Congressionally authorized boundaries. In the vast majority of cases Congress never anticipated that ALL the private lands contained therein would be purchased by the Federal government. In recent years the land purchase abuses that have historically occurred inside these unit authorization boundaries have been reduced through congressional oversight of the House Appropriations Committee. Wronged landowners have been able to have their concerns addressed in that forum. This clause gives no protection whatever to landowners -- NO CHANGE.**

*** Second clause -- Congress now approves all land acquisition projects when it passes the national budget each year. This bill eliminates that approval for all projects less than $1 million (now raised to $5 million in S 25) and even that limit applies only to the Title II funds. With the new funds in this bill, Title I and Title III funds can be used for land acquisition, no matter how large an amount, without any approval being necessary.**

*** Third (Last) clause -- The "east" actually is defined as east of the 100th meridian. This area encompasses all the south, east, mid-west, and north-central states! This money will harm private landowners in many rural areas and could devastate isolated communities that are very much like Alaska in character. As such they have many similar problems to Alaska in dealing with the Federal government and in maintaining a vibrant multiple use local economy. These communities are valuable allies to have in supporting Alaska issues. They understand us and they have helped -- on ANWR, on SE Alaska Timber. To violate principle and harm them just so Alaska can tap into the OCS fund is wrong and may not be politically sensible either. Understand that many Alaskans have land in such rural areas in the "lower 48" and they are threatened by this bill.**

"ALLEGATION": Congressman Young (Senator Murkowski) is a supposed friend of private property rights.

COMMITTEE STAFF "FACT": Congressman Young (Senator Murkowski) is, and will continue, to be a strong supporter and ally of private property rights groups. Year-in and year-out he has obtained a perfect score of 100 from the League of Private Property Voters and other advocates for private land ownership.

ALRA - THE REAL STORY: Senator Murkowski's 100% rating has already ended because of his sponsorship of S 25 and Congressman Young's will too if he signs on. The League of Private Property Voters has sent a letter to all Congressmen and Senators indicating that sponsorship of this bill will be counted AGAINST their record. AND THE BILL IS SO THREATENING AND DANGEROUS THAT, FOR ONLY THE SECOND TIME IN HISTORY, THE LEAGUE WILL DOUBLE COUNT A VOTE FOR THE BILL AGAINST A MEMBER'S PROPERTY RIGHTS PROTECTION RECORD. American Land Rights is the chief sponsor of The League of Private Property Voters along with 600 other organizations and they are one of the many organizations that have issued nationwide alerts against this bill!

2/8/99 LETTER TO CHAIRMAN DON YOUNG FROM MYRON EBELL, NATIONAL POLICY DIRECTOR, FRONTIERS OF FREEDOM, 1100 Wilson Blvd, Suite 1700, Arlington VA 22209, (703) 527-8282

8th February 1999

The Hon. Mr. Don Young Chairman
Committee on Resources
U. S. House of Representatives
Washington, D. C. 20515

Dear Chairman Young:

Thank you for inviting Frontiers of Freedom to comment on your bill, H. R. 4717, which you introduced on 7th October 1998. I hope that our comments may be useful to you and your committee's staff as you prepare a new version for introduction in the 106th Congress. I also hope that you will invite Frontiers of Freedom and other property rights advocacy organizations to testify at any hearings you may hold on your bill.

Staff members for several Members of Congress who co-sponsored H. R. 4717, apparently at the instigation of one of your committee staff members, have complained that we and others in the property rights movement should have made our objections to your bill privately before it was introduced. I learned from one of these staff members that your bill was circulated in discussion draft form as long ago as June of last year. Undoubtedly, we would have made our objections much earlier if we had known anything about your bill. I have talked to a number of people in the property rights movement, but have yet to find a single person on our side who knew anything about it or was consulted before the bill was introduced. But of course there was no need to consult with opponents of government land acquisition in order to learn whether they would oppose legislation to increase government land acquisition; and so they were not consulted.

As you know, we have worked on the same side of property rights and natural resource production issues for a number of years. I have admired your principled defense of property rights and consistent opposition to more government land acquisitions. That you are now proposing to reverse course and promote socialization of private property on a massive scale is saddening, but that is clearly your decision to make. I respect it and am trying to understand it. On the other hand, I hope you will understand and respect the motives and intentions of those of us who will oppose your bill with as much vigor as we opposed Chairman Morris Udall's similar American Heritage Trust Act a decade ago. From our standpoint, to do anything less would be to betray our belief that private property ownership is the foundation of our liberties and system of limited government.

Our specific comments and recommendations on each title follow below. It should be noted that even if every recommended improvement is made, Frontiers of Freedom will still oppose the bill if it creates a dedicated fund, not subject to congressional appropriation, for the acquisition of private land by any level of government. No added

safeguards can, in our view, adequately protect private property ownership from the long-term danger posed by such a fund.

Title I. We believe that OCS revenues should be shared with the States that have oil and gas production off their coasts in the same way that federal revenues from on-shore oil and gas production on federal lands are shared with the States. We urge you to introduce a bill that would do that in a straightforward way and would support your efforts to pass such a bill. Earmarking 27% of OCS revenues for the 34 States defined as coastal States is much less satisfactory because it will result in much less money going to the six OCS States that should be receiving 50% of federal royalties and because the funds distributed will be earmarked for a specific purpose rather than going into the general treasury.

We understand, however, that you have put these provisions together in order to gain enough political support to send at least a little money to OCS States. That is your call, but we doubt whether it will be worth the effort required. We doubt even more whether it will be worth the price of enacting Title II.

As we understand it, it is not the intent of Title I to provide funds to state and local governments for the purpose of buying land. But as there is no provision that prohibits land acquisition, we suspect that that is where much of the money will end up. The experience of the Exxon Valdez settlement is instructive here. While the billion- dollar fund was supposed to be used for environmental restoration and protection, in the end $380 million was used to purchase over 700,000 acres of land in Alaska. We therefore recommend that language be added to prohibit state and local governments from using any Title I funds for acquiring real property. Insofar as money is fungible, this restriction can easily be evaded, but at least it expresses the sense of Congress that government land acquisition does not constitute an environmental benefit or improvement.

Title II. Insofar as you have been a sincere, determined, outspoken, and long-time opponent of government land acquisition, we can only conclude that you have added this title merely in order to gain political support from some of the preservationist pressure groups, such as the Wilderness Society, the National Wildlife Federation, the Nature Conservancy, the Trust for Public Lands, and Defenders of Wildlife. Undoubtedly, the preservationists will support such a massive increase in government land acquisitions, but we also expect that they will do everything they can to strip out the provisions of Title I.

The introductions of your bill and the similar bill in the Senate have already had the unfortunate effect of causing the Clinton-Gore Administration to propose a similar program, the Lands Legacy Initiative, in their FY 2000 budget. Some defenders of Title II have claimed that its purpose is not really to expand government land acquisition (even though that is what it does) but is being offered defensively in order to prevent some worse piece of legislation, such as the Lands Legacy Initiative, from being passed. It is inevitable, so this reasoning goes, that Congress will vote to buy a lot more land; therefore we should try to pre-empt the proponents with something not quite as bad.

There are three problems with this argument. First, the preservationists did not try to convince Interior Secretary Babbitt to devise a similar program until after your bill was introduced last October. Second, it is not clear to us that the Lands Legacy Initiative is worse than what you are proposing. And third, no piece of legislation is inevitable. The American Heritage Trust Act of the late 1980s, which is very similar to Title II, had over two hundred co-sponsors in the House, yet it failed because of the intense opposition generated throughout rural America by a coalition of trade associations and grassroots membership groups. If you are opposed to the socialization of private property, then you are in an ideal position as the Chairman of the House Resources Committee to stop it.

Our major recommendation for Title II is to remove the words, "without further appropriation", from Section 202, page 18, lines 4-5. If you do that, then Title II becomes merely advice to Congress on how Land and Water Conservation Fund monies should be appropriated, which each Congress in its wisdom may or may not follow. Although there have been many problems with congressional LWCF appropriations over the years, congressional appropriation is still far superior to a dedicated fund. Because acquisitions have had to compete with other budget priorities for funding, Congress has usually appropriated far less money for acquisition than the authorized level of $900 million per year. If the money were deposited automatically into land acquisition accounts, then federal, state, and local agencies would be able to develop long-term strategies to use environmental regulations and other land-use controls to coerce landowners into selling their land. Of course, federal agencies are doing this now, but not very effectively because they cannot count on the acquisition money being appropriated by Congress.

A further advantage of congressional appropriation over a dedicated fund is congressional oversight. Landowners with complaints can take them to their Representatives and be heard. Trying to get a bureaucrat with regulatory power and an acquisition budget to listen is not going to be easy, particularly for small landowners. This is why we see little value in the provision in your bill to require that all federal acquisitions over $1 million be specifically approved by the House and Senate authorizing committees. Big landowners can usually handle their own problems. It is the small landowners that are usually unable to defend themselves against regulatory terrorism. We would therefore suggest specific congressional authorization for all acquisitions.

The willing seller provision in your bill is welcome, but you need to be aware that the protection it affords landowners, and particularly small landowners, is inadequate. Federal land agencies and state and local land use authorities have perfected a variety of coercive techniques for turning unwilling sellers into willing sellers.

If you go ahead with a dedicated trust fund for land acquisition, then we would recommend the following changes.

First, the LWCF should be amended to fully fund the Payment in Lieu of Taxes Program each year before any funds are spent on buying private land. This will partially compensate for the harm done by government land ownership to local

communities by shrinking their tax bases. This harm is generally felt most by local schoolchildren because in most States property taxes provide the largest share of school funding.

Second, the Land and Water Conservation Fund should be amended so that funds can be spent on the four federal land agencies' maintenance and rehabilitation backlog. Only after this multi-billion dollar backlog is cleared up could funds be spent on federal, state, and local land acquisitions.

Third, the bill should be amended to require the approval of the local elected government for any proposed federal, state, or local land acquisitions within its jurisdiction. This would replace some of the accountability of elected officials that you are removing by creating a fund not subject to congressional appropriation.

Fourth, the Tauzin amendment to the California Desert bill should be added. This amendment, which was adopted by a large majority in the 103rd Congress, would prohibit using environmental regulations, such as the Endangered Species Act, when making fair market appraisals of property to be acquired.

Fifth, the LWCF should be amended so that funds can be spent on working with private landowners as an alternative to acquisition. A wide variety of innovative conservation programs that involve co-operation between private landowners and conservation agencies have been developed over the years. The only thing most of them lack is funding.

Sixth, the LWCF should be amended to lower the annual authorized level from $900 million down to the average historic level of actual congressional appropriations. This would be in the $250-300 million range.

Seventh, the bill should be amended to require no net loss of private property. In order to spend LWCF funds the Secretary of the Interior would first have to certify to Congress that the federal government owned no more land this year than it did last year. This raises the problem of how much land the federal government actually owns. The Public Lands Annual is not reliable. Thus we would suggest that before Title II could go into effect, the federal government would have to complete a new and accurate inventory. This inventory could also include an inventory of all lands that Congress has at one time or another authorized for acquisition, but which have never been acquired. Similarly, the first disbursement of funds to the States should be used for inventories of lands owned by States, counties, and municipalities. These inventories would be a very useful starting point in considering just how much of the land in the United States should be owned by government.

Title III. The exemption from the Federal Advisory Committee Act needs to be narrowed in our view. The provision allowing funds to be used for law enforcement and public relations is highly objectionable and will provide the resources for bureaucrat-activists to do a great deal of mischief. We recommend removing this provision. A provision prohibiting using these funds for land acquisition should be added. Although perhaps not strictly necessary, it serves a useful symbolic function.

Thank you for your attention to our concerns. Although it is likely that we will end up on opposite sides of this battle, Frontiers of Freedom looks forward to continuing to work with you on a number of your initiatives that we support, particularly your American Lands Sovereignty Protection Act. Frontiers of Freedom has been a leader in supporting that bill. As you will recall, I testified in favor of it at the first hearing you held on it in the 104th Congress, and Frontiers of Freedom Chairman Malcolm Wallop spoke at the press conference when you introduced it in the 105th Congress. I find it ironic, but not particularly amusing, that you continue to be concerned about the potential threat to private property ownership in this country posed by the United Nations, but are now proposing in the Conservation and Re-investment Act a much more serious, tangible, and immediate threat to private property ownership in this country. Given your long and distinguished record as a defender of property rights, we still hope that you will reconsider your support for this unfortunate relic from the era of command-and-control environmentalism.

Yours sincerely,

Myron Ebell Policy Director

Copies to other Members of Congress and other interested parties.

FEDS PRIVATE LAND PURCHASE TRUST: A BAD IDEA by RICK KENYON

Reprinted in the Voice of the Times, *Anchorage Daily News*, March 12, 1999

An ancient by the name of Agur said there were four things that were never satisfied — Hell, the barren womb, a barren desert and fire. Today we have to add a fifth — the bureaucrat. Over 66 percent of the state of Alaska (more than 230 million acres) is already in Federal ownership. 103 million is in state ownership. Private non-Native corporation land is less than three-tenths of one percent. Yet some are not satisfied.

According to the National Parks and Conservation Association, there are more than 1 million acres of private lands within the boundaries of the national park system that should be acquired for public use. Representative Don Young and Senator Frank Murkowski are making plans to give the federal land managers all the money they need to buy up that million acres and more, and with few strings attached.

Rep. Young, chairman of the House Resources Committee, introduced his version of what some call the "Billion Dollar Trust Fund" — HR701. If passed, many fear this off-budget land acquisition entitlement will ultimately grow to become a $1 billion per year slush fund for federal, state and local land agencies. It supports the concept President Clinton and VP Gore are proposing with their "lands legacy initiative." Sen. Frank Murkowski along with Sen. Mary Landrieu, D-LA., and others, have introduced a companion bill, S25.

"Once the Trust Fund is signed into law, no landowner will be safe," said Chuck Cushman, executive director of the American Land Rights Association. "Park Service,

Forest Service, Fish and Wildlife Service and BLM land agents will become tyrants far exceeding even the aggressive Carter Administration."

Murkowski and Young have a long record of being the friends of landowners and users of the Federal lands. They helped draft the Alaska National Interest Lands Conservation Act (ANILCA) which, along with setting up the massive new federal parks and preserves, incorporated many "protections" for the Alaskan way of life. Then, the delegation held hearings when the federal land managers twisted and sometimes just plain ignored the protection provisions.

Witness the most recent Park Service action at Denali. Superintendent Steve Martin arbitrarily closed 2 million acres of the "old park" to access by snow machines — an area where, by his own admission, "snowmachines have rarely been used..." Sen. Murkowski immediately responded: "ANILCA guarantees Alaskans the right of reasonable access. I am distressed by the continuing efforts of this Administration to erode that right. We've seen it in Glacier Bay, and now we are seeing it in Denali. The Park Service's action establishes a dangerous precedent — an erosion of the rights guaranteed under ANILCA. The issue will now move to the courts and I'm hopeful that the court will overturn the Park Service."

An obvious question for the senator: Do you think these types of actions that you rightfully call an erosion of the rights will become less frequent when the federal land managers are handed a bag of money marked, "This money is for purchasing inholdings in federal units"?

I think not.

"This money," the senator tells us, "is not earmarked for a federal land grab. I believe the federal government already owns too much land."

I respectfully submit this is double-speak.

Murkowski said many inholders "have been waiting for decades to receive compensation from the federal government for their property. In many instances those landowners must suffer restrictions on access to and use of their lands while they wait endlessly for the funds to compensate them for their lands."

And that's just the point. These landowners have become "willing sellers" because of restrictions on access to and use of their lands. Some say the willing seller provisions will not survive the legislative process, and that a final bill will include condemnation. Are we to be heartened to know we won't have to wait long to be compensated for the land we are no longer permitted to own?

During the early years of the Wrangell-St. Elias Park (and other Alaskan park units), the Park Service was busy running the miners out. During the debate of the Alaska lands act, Alaskans were told that mining was a "protected" activity. Only a few years after the compromise passage of ANILCA, federal managers started to undermine this compromise by maneuvering to end mining in the parks. The rules started changing. Even folks with small recreational claims suddenly found they had not met the requirement of burdensome new rules. Of course not, they had never been told about the rule changes.

Finally, in frustration, they gave up. They relinquished their claims to the federal government. Although park managers will tell you there is still mining in the parks, everyone knows it's a joke. The miners are no longer mining — they are running parking lots for tourists.

Now it's the inholders' turn. Groups like the National Parks and Conservation Association and the huge environmentalist land trusts are drooling at the thought of a

permanent pipeline of money earmarked for private land acquisition. Just as the land managers in their hearts disagreed with Congress that mining be allowed to remain in Alaska parks, now those behind this latest move apparently think that private property owners themselves are something that is unacceptable.

My wife and I have lived here in the Alaska bush for over twenty years now. When we built our log home this was not a national park. If any of these massive land acquisition trust funds becomes law, the best we can hope for is increased harassment and burdensome new rules. If, as some believe, the final legislation contains language that allows condemnation, then our lifestyle is over.

Sen. Murkowski, Rep. Young, I don't know what to say. You have been our friends and allies, and without your support many of us would have been forced off our land long ago. Some say the siren song of distributing vast sums of money has caused you to cast aside your principles. They say you are willing to sacrifice inholders, our communities, lifestyles and culture. I don't know. I can only wonder, as the Apostle Paul did about the church at Corinth when the believers wandered from the faith: Who has bewitched you?

Rick Kenyon is the editor of the Wrangell-St. Elias News. This column is adapted from the March/April 1999 issue.

FIELD HEARING ON: H.R. 701 TO PROVIDE OUTER CONTINENTAL SHELF IMPACT ASSISTANCE TO STATE AND LOCAL GOVERNMENTS, TO AMEND THE LAND AND WATER CONSERVATION FUND ACT OF 1965, THE URBAN PARK AND RECREATION RECOVERY ACT OF 1978, AND THE FEDERAL AID TO WILDLIFE RESTORATION ACT TO ESTABLISH A FUND TO MEET THE OUTDOOR CONSERVATION AND RECREATION NEEDS OF THE AMERICAN PEOPLE, AND FOR OTHER PURPOSES, CONSERVATION AND REINVESTMENT ACT OF 1999

H.R. 798 TO PROVIDE FOR THE PERMANENT PROTECTION OF THE RESOURCES OF THE UNITED STATES IN THE YEAR 2000 AND BEYOND

MONDAY, MAY 3, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
New Orleans, Louisiana.

The Committee met, pursuant to call, at 8:08 a.m., in the Louisiana State Supreme Court, 301 Loyola Avenue, New Orleans, Louisiana, Hon. W.J. Tauzin, presiding.

STATEMENT OF HON. W.J. (BILLY) TAUZIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. TAUZIN. Let me first welcome you all to the first field hearing on this critically important Conservation and Reinvestment Act of 1999, House Bill 701, the CARA legislation.

I am pleased that Chairman Don Young has agreed to host this first of our national hearings, field hearings, in New Orleans, Louisiana, not only the home of one of the greatest wet natural resources in the country, where some 28 percent of the nation's seafood is harvested and where almost a quarter of the nation's wetlands exist, but also the home of wonderful jazz fests that I know my colleagues from Washington had the chance to experience this weekend, and sample and taste of Louisiana. We are proud of this

state and all it represents and I am very deeply appreciative of my colleagues for journeying here to New Orleans to be with us.

I am Vice Chairman of the Natural Resources Committee in Washington and Don has asked us to begin this series of national hearings on the question of whether or not the United States Congress should follow suit with the recommendations of our own Mineral Management Department, which has recommended a sharing program of offshore revenues to the states for the purposes of assisting in land and water conservation and wildlife and habitat conservation funding for our country.

I am pleased to see so many of my friends in the audience today, who will share with this Committee first-hand experiences of their own as officials, as citizens, as individuals who live in the coastal Louisiana wetlands where incredibly, we are losing as much as 30 square miles a year of some of the most invaluable coastal wetlands of this country.

I am pleased also that, as I said, my colleagues have come a long distance to join me. We are going to be as quiet as we can and allow our witnesses to have the day today to tell us their story about this awful national tragedy of the loss of wetlands. You will hear today in great detail, I believe, what Randy Newman, the song writer and songstress, summarized in his song "Louisiana," they are trying to wash us away. You will hear that this state is battered from the north by water that provides transportation and drainage for well over half the states in our great country, and battered from the south by the forces of nature that is incredibly destroying much of what all of us grew up appreciating as the most incredibly wonderful wetland environment I think our country has to offer in coastal Louisiana.

My friends had a chance this weekend to visit the erosion sites, to actually do a fly-over, to visit an offshore platform and to experience first-hand the degradation of the Louisiana environment as a result of these natural and manmade forces. And so I think they came prepared to learn today from you about why this is so critical, not just to the state of Louisiana, but to the nation, that America recognize its obligation to begin repairing and restoring and preventing any further loss of these incredible resources.

I am pleased now to welcome from our Committee a dear friend of mine, who works with me in several important areas of Congressional work, Congressman Peter DeFazio. Peter.

STATEMENT OF HON. PETER DEFAZIO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. DEFAZIO. Thank you, Billy, I appreciate it. I appreciate the hospitality we have been shown and we are glad to have brought you some cooler weather for the weekend, so we northerners would not be too uncomfortable.

I represent the State of Oregon, I represent half the coastline of the State of Oregon, about 270 miles of the west coast of the United States, and am vitally—also represent a district that is half—more than half owned by the Federal Government, so I have a long-term and abiding interest both in coastal and estuarine issues and learned a lot about your problems here and also concerns about more landlocked Federal concerns which go to the

Land-Water Conservation Fund and certainly enduring underspending of those resources. So I would just note for the record I have brought a statement which I would insert into the record without objection from Ranking Member Miller, who had to return to the west coast for business.

Mr. TAUZIN. Without objection, that statement will be made a part of the record and the Chair will note that Mr. Miller, who is the Ranking Democrat on our Committee, has himself offered legislation, House Bill 798, which is very similar to the House Bill 701 offered by Chairman Young. The gentleman's request is unanimously granted.

Mr. DEFAZIO. I thank the Chairman.

The Chairman basically got ahead of me there and that is what I was going to note, I am a cosponsor of Congressman Miller's bill, which addresses the concerns of the Land-Water Conservation Funds and the underspending of those resources and diversion to other uses in the Federal Government, and does take a different approach but we are hopeful that we can work out agreement in this important area.

And with that, Mr. Chairman, I will forego any further remarks and defer to my colleague from Louisiana.

Mr. TAUZIN. I thank the gentleman. The Chair now recognizes the gentleman from Louisiana, from the other half of the Louisiana coastline, and my dear friend, Chris John.

[The prepared statement of Mr. Miller follows:]

STATEMENT OF HON. GEORGE MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

I regret that district business has prevented me from joining my colleagues here today in New Orleans, Louisiana, to hear testimony on two legislative proposals that would permanently dedicate revenues from Outer Continental Shelf oil and gas leasing to the protection of America's public land, marine and wildlife resources.

Together these bills offer the best hope in decades for permanent, substantial funding for parks, wildlife conservation, ocean and marine protection, open space, and urban recreation. Given the added support in the Senate for the Landrieu bill along with the President's Lands Legacy Initiative, there is a real prospect for action.

While the bills share certain key principles in common, them are equally important differences . . .

Our bill, H.R. 798—which we call Resources 2000—would provide specific dollar amounts each year for land acquisition, urban park renewal, historic preservation, wildlife protection, coastal and marine and open space conservation expenditures. Most importantly, Resources 2000 would guarantee full funding for both the Federal and state sides of the Land and Water Conservation Fund at $450 million each. Congress established the LWCF in 1965 and amended it in 1968 to use Federal offshore oil and gas revenues for environmental protection projects. But we've been shortchanging the program for 30 years. At that time, Congress promised to use $900 million a year to buy open space and expand recreation land, but the government has spent only about a third of the allotted money for the environment and diverted the rest to other purposes. Overall, Resources 2000 would guarantee that more than $2 billion a year from Federal offshore oil and gas royalties would support needed environmental, recreational and cultural programs.

H.R. 701, the Young-Tauzin-John bill—or CARA 99—and the Landrieu bill would devote a percentage of gross OCS revenues to a broad array of programs, including but not limited to the programs targeted by Resources 2000. But, CARA 99 would not fully fund the Land and Water Conservation Fund, but instead offer a percentage that would vary year to year. In fiscal year 2000, each side of the fund would receive $270 million, according to the Department of the Interior, under CARA 99 compared to $450 million under Resources 2000.

Instead of the broad "coastal impact aid section" in CARA, Resources 2000 would direct about $1.4 billion to a series of specified programs, including historic preser-

vation, park improvements, open space preservation, endangered species management, and coastal conservation. We believe that this more focused approach will distribute the funds more evenly across the Nation while assuring that specific conservation goals will be met in cooperation with the states.

CARA 99 and the Landrieu bill would divert $1.164 million in OCS revenues to coastal states, with Louisiana, Texas, California, Alaska and Alabama receiving the lion's share. In addition, these five States, plus Mississippi and Florida, would continue to receive approximately $105 million annually from the OCS program. It should be obvious that this maldistribution of Federal assets that belong to all Americans will have a very difficult time in the House of Representatives.

Another important distinction between the two proposals is the manner in which the funds would be allocated and spent. CARA 99 would give states latitude to spend their "impact assistance" funds with little or no accountability or oversight. The bill by no means limits expenditures of the funds to environmental and resource initiatives, as does Resources 2000, but instead resembles more closely a broad revenue sharing plan.

CARA 99 would restrict acquisition for Federal areas, such as national parks, through the Land and Water Conservation Fund to existing designated areas with congressional approval required for any new purchases more than one million dollars. Also, CARA 99 would require that 2/3 of the money be spent East of the Mississippi River. Such restrictions represent an unwise and unnecessary limitation on the LWCF.

Finally, there is the question of drilling incentives. Resources 2000 would limit the allocation of OCS revenues to fund its programs to bonuses, rents and royalties derived from leases producing oil and gas in the Central and Western Gulf of Mexico. No coastal areas currently under leasing moratoria would qualify for funding any of the programs under Resources 2000. CARA 99 would limit revenue allocation from these leases only under its OCS Impact Assistance title. The Senate proposals would allow revenues from new leases and other areas currently under moratoria to be allocated to their programs.

As I have consistently said, the similar goals of the two bills are more important than the differences between them at this point. We will have an opportunity to sit down and craft a reasonable compromise between them that assures a balanced program and a politically salable vehicle. We should not miss the opportunity to enact an environmentally sound funding mechanism for the many conservation needs throughout the country.

STATEMENT OF HON. CHRIS JOHN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. JOHN. Thank you, Mr. Chairman. It is indeed a pleasure to have such distinguished people with us today, all coming together for such an important issue, including the Secretary of Natural Reources, the Governor, the Speaker of the House, my friend Hunt Downer, who lives down in the coastal zone where the greatest threat exists, and also the President of the Senate, Mr. Randy Ewing is here. The Committee thanks you for being here. Also, let me recognize the Mayor of Lake Charles, which is a big city in my district, for joining us here today as a witness.

This is a very important piece of legislation to Louisiana, but it is not just a Louisiana piece of legislation. This is a bipartisan issue that affects all Americans and this is a very important bill. Let me quickly give you just a little bit of history of where H.R. 701 came from.

The legislation that we are going to be discussing today arises from a report from the Coastal Impact Assistance Working Group of the Outer Continental Shelf Policy Committee. This is a piece of legislation that has been recommended by a committee established by the Minerals Management Service on how to redistribute some of the monies that we get from offshore oil and gas revenues. We had a wonderful day on Saturday taking a group of members and staff to look at our problem in Louisiana, looking at the vast estu-

aries and marshes we have. And one of the most profound—I think one of the things that impressed upon most of the Members of Congress is the fact that this delta that we are looking at on this end of the state drains about 41 percent of the United States. So this is truly a national issue and it has to become a national priority. I have worked very hard with all of the members of the House Resources Committee, but much credit should go to Don Young, who is the Chairman from Alaska because in our first meeting he made this piece of legislation, or this concept, a priority in the Resources Committee for the 106th Congress.

So it is a pleasure to be here today and welcome a lot of people from all across the country that recognize the importance of this issue and this hearing.

And I will turn it over to my friend, my colleague from the great state of New Mexico.

Mr. TAUZIN. The Chair thanks Chris John, who as I said is one of the principal cosponsors of this legislation and a guiding force in our efforts to get nearly 70 cosponsors in the House already on board.

I am now pleased to welcome from New Mexico one of the Udall boys. We have got two new Members of the Congress, both Udalls, I think first cousins, Tom is from New Mexico and has come a long way. We want to welcome him and thank him again for coming such a long way to hear from the citizens of Louisiana. Congressman Udall.

[The prepared statement of Mr. John follows:]

STATEMENT OF HON. CHRIS JOHN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Good morning, Mr. Chairman. I would like to begin by thanking the Committee for conducting this field hearing in New Orleans today. I hope the opportunity this weekend to see the coastal challenges facing our state has impressed upon members of this Committee that immediate and substantial Federal resources are needed to prevent the catastrophic loss of Louisiana's coast. Words alone cannot do justice to the magnitude of land loss, wetlands degradation and destruction that is rapidly eroding Louisiana into the Gulf of Mexico. As a result, I am particularly grateful to the members and staff who took time out of their weekend schedules to tour our coastal areas and witness firsthand the adverse and largely unavoidable impacts sustained by Louisiana's coast in support of Federal Outer Continental Shelf (OCS) production.

The hearing today will focus on two legislative proposals that would reinvest proceeds from Federal OCS activities into conservation initiatives: H.R. 701, "The Conservation and Reinvestment Act of 1999" (CARA), and H.R. 798, "The Permanent Protection for Resources 2000 Act" (Resources 2000). As one of the principle sponsors of H.R. 701, I am looking forward to hearing testimony from the witnesses here today about the extent to which these bills will assist Louisiana in meeting its conservation needs. Of course, I am biased, but I believe that H.R. 701 sets-forth the best framework for making a long term commitment to enhancing, restoring and conserving our nation's precious natural resources such as Louisiana's bayous and estuaries. However, I want to commend Ranking Member Miller, who was unfortunately unable to join us today, for his efforts in putting together an alternative proposal, H.R. 798. His active involvement has helped ensure that the issue of reinvesting revenues from non-renewable resources into assets of lasting value is the top order of business in the House Resources Committee during the 106th Congress. And while there are significant differences between H.R. 701 and H.R. 798, I continue to believe that the similarities of both bills will eventually allow us to overcome the differences.

For the past year, Mr. Chairman, you and I have worked with a bipartisan group of members to craft a bill that will create a lasting legacy of stewardship and conservation of our natural resources. When we began our efforts, few people thought that we would get the attention of the Congress and the American people. Remark-

ably, today we find legislative proposals with broad support in the House and Senate, and a "Lands Legacy Initiative" from the Administration. What I believe this proves is that you cannot stop the momentum of an idea whose time has finally come.

CARA was first introduced in the 105th Congress following the release of a report from the Coastal Impact Assistance Working Group to the Outer Continental Shelf Policy Committee. The OCS Policy Committee provides advice to the Secretary of Interior through the Minerals Management Service and had been tasked with developing a formula for distributing a portion of Federal OCS revenues with coastal states. The report was initially brought to my attention by Mr. Jack Caldwell, the Secretary of the Louisiana Department of Natural Resources, who serves on the Policy Committee. It recommended Federal legislation to share revenues derived from OCS program activities with coastal states based on a formula that would reflect both need and fairness.

Following months of extensive discussions between Members of Congress, States and the conservation community, a comprehensive bill was introduced that reflected the sponsor's desire to make a lasting commitment to natural resource protection. On February 10th of this year, CARA was reintroduced for consideration in the 106th Congress as H.R. 701 and currently has over 75 cosponsors. The bill enjoys the support of members from rural and urban areas, coastal and non-coastal communities, Democrats and Republicans alike. It has also been warmly embraced by many states, local governments and conservation groups.

As I have previously mentioned, the thread that weaves through both CARA and Resources 2000 is the belief that a portion of revenues from Federal OCS production should be reinvested back into the resources that made them available in the first place. At this time, all of these revenues go into the general treasury to finance recurring expenditures of the Federal Government. While this helps ensure that our nation's short-term fiscal needs are met, it does so at the expense of long-term investments.

My primary interest in H.R. 701 arises out of great concern for the alarming rate of coastal erosion and wetlands loss that now jeoparzides our communities, economy, wildlife and fisheries habitat and the culturally unique way of life that is so closely tied to south Louisiana's environment. While the impacts of Louisiana's disappearing coast are being felt the hardest by the residents in our coastal zone, this is not simply a Louisiana problem that deserves attention from the State. Louisiana's coastal ecosystem is a national treasure that requires and deserves national attention. Louisiana must bear some of the responsibility for the situation we are in, but out of fairness, we should not be forced to do it alone. Louisiana has played a critical role in meeting the energy demands of our nation and many of the pressures on our coastline are a byproduct of this activity.

The Federal Government has long recognized that the development of land-based mineral resources impacts states that host that activity and has shared revenues with those states. However, states that host offshore mineral development do not share in mineral revenues, despite the fact that coastal states suffer many of the same environmental and infrastructure impacts that result from land-based development. This difference in treatment is simply not fair and shifts a greater burden on state and local governments to remedy these impacts out of their own limited budgets. This inequity can no longer be ignored—the consequences are too great.

CARA will remedy this inequity by sharing 27 percent of Federal OCS revenues with 35 coastal states and territories—most important to me being Louisiana. State and local governments receiving these funds are provided with flexibility so that revenues can be used to meet their most pressing needs. Some members and groups who are not from Louisiana have expressed concerns that the distribution formula is too generous for our state. I think it is important to clarify that states with land-based mineral development receive anywhere from 50 percent to 90 percent of oil and gas revenues extracted from Federal lands; under H.R. 701, Louisiana would share in about 10 percent of the Federal mineral revenues extracted offshore our state. Put in that perspective, I think the Federal Government is getting a bargain.

CARA also provides critical dedicated funding for the Land and Water Conservation Fund (LWCF), the Urban Parks and Recreation Recovery Program (UPARR) and wildlife conservation and education programs. I have heard from many state and local officials about the funding needs of these programs and the exponential benefits they will yield for millions of Americans.

Mr. Chairman, I've spoken long enough today. My views on this issue are well known and so is my strong desire to have the President sign a bill into law during the 106th Congress. I want to conclude by thanking all of the witnesses who are testifying here this morning. Your participation is a critical part of the legislative process. This is a great opportunity for the Congress to hear Louisiana tell its story

in the context of both H.R. 701 and H.R. 798 and I look forward to hearing everyone's testimony. Thank you.

STATEMENT OF HON. THOMAS UDALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. UDALL. Thank you very much, Mr. Tauzin. And let me thank first of all Representative Chris John and Representative Billy Tauzin for being such great hosts. I think that you have shown us all a very good experience here and going out into the field and seeing actually what is going on I think is very, very important. The hospitality has been wonderful here, the food, the people and so let me just first of all thank you for that.

I represent a district in northern New Mexico. Needless to say, we do not have any coast land, but I am still very interested in these issues and I think the field hearing and field visit yesterday and this hearing will show us a lot and the need for really protecting wetlands and the loss of wetlands.

As I look through the list here today, I see many of the same people that we visited with out in the field and their home areas and they are going to be here and I think elaborate on some of the things that were said and so at this point, I would just waive any further opening statements so that we can get right to the heart of the issue here. Thank you both very much.

Mr. TAUZIN. Thank you, Congressman Udall.

Before I introduce the next member of the panel, who is also a dear friend here in the local community, part of our Louisiana delegation, I thought it fitting that we thank Justice Pascal Galiara, who is in the audience today, for the use of the facilities of our Supreme Court. Thank you very much.

[Applause.]

Mr. TAUZIN. And now let me welcome my colleague from here in the great crescent city, the gentleman from New Orleans, Louisiana, Congressman Bill Jefferson.

STATEMENT OF HON. WILLIAM J. JEFFERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. JEFFERSON. Thank you, Mr. Chairman. It is a pleasure to be here with you, sir, and with the other members of this panel who traveled from so far to be with us. Those who made the field trip visit with you, Billy, I know got a first-hand glimpse of the burdens that are borne by Louisianians and of the prospects for relief from those burdens that are part of this legislation. And also, I hope they had a chance to get a glimpse of what local governments are going through as they are on the front line of dealing with these issues, and I know they also understand the importance of conservation that this bill is also going to do a great deal to support.

I want to say that this has been a measure that has been broadly received, as Billy has said, by Members of Congress, as Chris John said when I came in, on both sides of the aisle, and by members in the—it is an initiative that is going on in the House, going on in the Senate. I saw Mary Landrieu here earlier, I think she is out there, she has been working hard on this and we all have.

So I am very pleased with the leadership that Bill Tauzin is showing, that Chris John is showing, that our delegation is show-

ing on this issue and that others have joined with this effort and Don Young, who is not here, who I had the pleasure of traveling with and talking to about this bill.

It is important legislation, it is important for Louisiana, it is important for coastal regions around the country, it is important for our country, important for conservation. It is an important recognition at long last that those states that bear the brunt of the burden of producing oil and gas and supporting the rest of the country and in many cases the rest of the world deserves some relief and some support from our Federal Government.

So I thank Bill for what he is doing, I thank him for this field hearing and I thank all who have played a role in making this possible for us.

Mr. TAUZIN. Thank you, Bill. As Bill said, it is fitting that we recognize the presence of one of our two United States Senators, who herself is doing a huge and important job on the Senate side carrying the legislation for our delegation and for the country, Senator Mary Landrieu. I wanted to welcome her.

[Applause.]

Senator LANDRIEU. I just wanted to emphasize I was in town for another meeting and thought it just would not be appropriate for me not to stop and thank everyone in this room, particularly the Governor for his leadership, the legislators and all of you who have just been a tremendous help in helping us position this bill for a real possibility of passage. Thank you so much.

Mr. TAUZIN. Thank you, Mary.

[Applause.]

Mr. TAUZIN. Thank you very much, Mary.

The Mayor of the City of New Orleans, Mayor Morial, was scheduled to be here to deliver a formal welcome on behalf of the City to the Governor and to all our guests, but he has been detained. He will be here at 9 a.m. and we will interrupt the proceedings at that time to allow the Mayor to welcome you all formally.

But we do have with us a young man who will introduce these proceedings to us. We thought it fitting that we begin with Daniel Snyder who is from my district in Terrebonne Parish and who represents the many students of our coastal regions who have joined together in letters that they have sent to the President of the United States urging the President to join them in the Save our Soil, SOS, effort to protect and preserve the invaluable coast lands and wetlands, that they and their parents have grown up and feel is so heavily threatened today. And so Daniel is here to join us today and to represent the many students who have already begun the student crusade to get public officials more involved in saving the incredible resources of our coastal state.

And so Daniel Snyder from Oaklawn Junior High representing the students of our state is now recognized to make a statement to this important field hearing. Daniel, welcome, we deeply appreciate the involvement of young people such as yourself and frankly, it was your wake-up call that caused us to convene the wetlands conference at Nicholas State University that has already, I think, begun the effort here in Louisiana to make every public official aware of the fact that you young students of our state are not going to rest until we do our job and save the Louisiana wetlands.

Welcome, Daniel, and we appreciate your testimony, sir.

STATEMENT OF DANIEL SNYDER, STUDENT, (OAK LAWN) JUNIOR HIGH SCHOOL

Mr. SNYDER. Dear Honorable Members of Congress:

My name is Daniel Snyder, I am a seventh grade student at (Oak Lawn) Junior High in coastal Houma, Louisiana. I was invited by Representative Billy Tauzin to testify at this hearing because of my participation in the National Coastal Wetlands Summit where I read a letter in which I asked you to support legislation for funding of coastal erosion projects. I am speaking to you this morning because I, my friends, my family and everyone in coastal Louisiana are in danger of losing our home and livelihood to erosion. If nothing is done to stop this erosion of the wetlands, then in 50 years, Houma an inland cities will become a new port for huge ships, perhaps a major port at Port Fourchon in Lafourche Parish.

In Houma, the Chamber of Commerce, the Terrebonne Parish School Board and the Barataria-Terrebonne Estuary have gotten together and come up with an SOS campaign, or Save our Soil. This year's project was to send letters to all Members of Congress to obtain support of H.R. 701 and 798, sponsored by Representatives Tauzin and Senate Bill 25, sponsored by Senators Landrieu, Lott and others.

The intent of H.R. 798, Permanent Protection for America's Resources, is to fund projects dedicated to this purpose. Louisiana loses one football field of land every 15 minutes. The residents of coastal Louisiana, especially Terrebonne Parish, are in complete support of this bill. Some projects like the Atchafalaya Basin Projects have proven to rebuild wetland areas. My parish, which is situated on a degenerating delta of the Mississippi River, requires protection by our barrier islands. These islands are literally washing away. Presently, there are several sand and grass restoration projects occurring at Wine Island and other barrier islands. H.R. 798 would provide continued funding for these initiatives and additional future projects. H.R. 701, the Conservation and Reinvestment Act of 1999, insures a percentage of revenues received from offshore continental shelf drilling will be returned to the coastal states. With these monies, projects such as the ones I have already mentioned can find state funding in addition to Federal funding.

If this erosion of the wetlands is not stopped, then when hurricane season comes, salt water from the gulf will pour into the freshwater wetlands and kill most of the immature seafood in our marshes, thereby shutting down seafood industries, making seafood workers lose their jobs and making a majority of people in coastal areas of Louisiana to move elsewhere to look for jobs and a place to live.

My family has lived here for several generations. I would like to raise my future family here because I value my heritage, culture and lifestyle. This is the only home I know, and it sorrows me greatly that it is vanishing before my very eyes. I want to know that my children and their children will be able to enjoy the same rich culture and lifestyle that I have had the privilege to have.

In conclusion, we do not want to move from this area where we have our homes, and our livelihoods, and our culture has prospered. Please help us to Save our Soil.

[The prepared statement of Mr. Snyder follows:]

STATEMENT OF DANIEL SNYDER, STUDENT, OAKLAWN JUNIOR HIGH, TERREBONNE PARISH SCHOOL SYSTEM, TERREBONNE PARISH CHAMBER OF COMMERCE, TERREBONNE-BARATARIA ESTUARY

Dear Congressmen:

My name is Daniel Snyder. I am a seventh grade student at Oaklawn Jr. High in coastal Houma, Louisiana. I was invited by Representative Billy Tauzin to testify at this hearing because of my participation in the National Coastal Wetlands Summit, where I read a letter to which asked him to support legislation for funding of coastal erosion projects. I am speaking to you this morning because I, my friends, my family, and everyone in coastal Louisiana is in danger of losing our homes and livelihoods to erosion. If nothing is done to stop the erosion of the wetlands then in fifty years, Houma, an inland city, will become a new port for huge ships, perhaps a major port like Port Fouchon in Lafourche parish.

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In conclusion, we do not want to move from this area where we have our homes, and our livelihoods, and our culture has prospered. Please help us to Save Our Soil.

Mr. TAUZIN. Thank you, Daniel. And would you recognize the young lady sitting with you? I think it would be important for us to know who is accompanying you here today.

Mr. SNYDER. This is my teacher, Ms. Johnson.

Mr. TAUZIN. Ms. Johnson, we wanted to welcome you and thank you on behalf of the Congress and our state for the effort I know the teachers of our state are making with the young people to make this campaign real.

Daniel, thank you for your statement.

Let me ask if there are any members of our panel who would like to address a question to Daniel.

[No response.]

Mr. TAUZIN. Well, Daniel, we want to thank you——

Mr. JEFFERSON. Except to say how proud we are of how you presented yourself here today and what a tribute it is to your teachers and to others who have worked with you on this. Congratulations.

Mr. TAUZIN. And today in the newspapers across our district, we are challenging the other schools of all the parishes of coastal Louisiana to join with you in your campaign. And if we can help, Daniel, in encouraging other teachers and other students to join you in any way, please make sure you let us know. We are trying to make sure that the President of the United States and everyone in Washington hears your voice which is saying simply save our home. This is the place where we grew up and we do not want to lose it. And that message came through loud and clear this morning, Daniel, thank you very much.

Let us give him a big hand.

[Applause.]

Mr. TAUZIN. The Chair is now pleased to recognize our first panel of government witnesses, and of course the most important person in our state who can really make things happen, our own Governor Mike Foster, who still enjoys, I am always proud to say, the highest approval rating of any Governor of the United States and that includes "The Body" Ventura in Minnesota. So we want to welcome Governor Mike Foster, the Governor of the State of Louisiana. He will be joined today by the Speaker of the House, Mr. Hunt Downer, a former roommate. We served together in the Louisiana legislature. The Honorable Randy Ewing, the President of the Louisiana State Senate; the Honorable Joe Westphal, the Assistant Secretary of the Army for the Corps of Engineers and the Honorable Benny Rousselle, President of Plaquemines Parish in Belle Chasse, Louisiana. Plaquemines lies to the south—people do not believe me when I tell them, Benny, that my district includes 90 miles to the south of New Orleans. They think I am talking about Cuba.

So we want to welcome you all. These, ladies and gentlemen, are some of the most important policymakers of the State of Louisiana. We are going to hear from them today on what Louisiana is doing and hopefully what we might do to assist them to save Daniel's home and to save a home for all of us in coastal Louisiana.

Governor, I really want to thank you for taking time out of what I know is a busy session in Baton Rouge right now, it is ongoing, and particularly Speaker Downer and President Ewing, for leaving Baton Rouge at I know a critical time, to be with us today. Governor Foster.

STATEMENT OF HON. MIKE FOSTER, GOVERNOR, STATE OF LOUISIANA

Governor FOSTER. Mr. Chairman, members, good morning. It makes me feel good to see this many people connected with government out this early working so hard on important issues.

Let me just go through a brief statement that I think makes a general overview of what we are talking about here this morning.

Mr. Chairman and honorable members of the Committee, welcome to Louisiana. Thank you for taking your time to travel here to learn about this important issue from Louisianians. They represent a number of interests in our state. To my friends, Congress-

man Billy Tauzin, Chris John, thank you for all your efforts on behalf of our state and its people, seriously.

Mr. Chairman, the State of Louisiana strongly supports the enactment of the Conservation and Reinvestment Act of 1999, H.R. 701. This legislation corrects both an inequity and handles a great need for our state.

First, I will address the inequity. The Federal Government has not been fair to the State of Louisiana when it comes to the return of Federal mineral revenues to states that are impacted directly by Federal mineral development. The problem is that the Mineral Leasing Act of 1920 shares 50 percent of the onshore Federal mineral receipts with the states, but the Outer Continental Shelf Lands Act shares only a fraction of the revenues from those Federal offshore leases located closest to the adjacent coastal states and has done that only since 1986.

In fiscal year 1998, five states received from the Federal Government more Federal mineral revenues than did Louisiana. Yet the Federal mineral receipts from offshore Louisiana were over five times greater than the amount of mineral revenues from any of these states. For example, from onshore New Mexico the Federal Government received $341 million and returned $167 million to that state. The Federal Government received $489 million from Wyoming and returned $237 million to that state. These funds were distributed automatically with no restriction on use and were not subject to any appropriation by Congress.

Now what about Louisiana? Louisiana provides support for $2.7 billion—it is always hard for me to say that "b" word—but $2.7 billion in Federal receipts from oil and gas developments on the Louisiana outer continental shelf in fiscal year 1998. Louisiana received in return only $21.1 million, one-tenth of Wyoming's receipts and one-eighth of New Mexico's receipts.

In addition, these states collected severance tax on the production of the Federal minerals that were produced in their states, but Louisiana cannot collect severance taxes on the Federal oil and gas produced on the Louisiana OCS. H.R. 701 will partially correct this injustice by sharing with Louisiana about 10 percent of the annual revenues from Federal oil and gas development from the Louisiana outer continental shelf. Mr. Chairman, correcting this current inequity to Louisiana will also help us address some major needs for our state and the nation.

On a personal note, I consider myself both a businessman and a conservationist. I have and continue to be grateful for the economic benefits oil and gas have brought to Louisiana and the rest of the nation. However, I have seen the unique price this state has for some of these benefits. One of my favorite places in the world are the coastal marshes of Louisiana and unfortunately I do not get there enough, particularly during the session like right now. Often it takes long periods of time to notice major changes in the system. However, I can tell you that in my lifetime in the limited amount of time I can spend in my favorite place, I have noticed dramatic changes, many of which have been caused by projects done in the name of the national interest.

Let me just on the side say that I have been going to a place called Grande Isle, which is sort of the end of Louisiana, since I

was that big, since I was a little boy. I have been there once this year. There is one point that I have fished for the last 10 years, it is a stone's throw from the marina. It is gone, it disappeared this year.

So things are happening quickly. I mean, in my lifetime I have seen this coast disappear. We have lost 1,000 square miles of our coastline in the last 50 years and are projected to lose another 1,000 square miles in the next 50 years. Mr. Chairman, is that significant, that little orange light? That means I have talked too long?

Mr. TAUZIN. Do not worry about it.

Governor FOSTER. I am usually pretty short.

Our coastal wetlands are unique and cannot be replaced as a natural resource to this nation and that is why I have made wetlands and barrier island restoration the top priority for our administration. Federal oil and gas operations and the thousands of miles of pipelines that cut across our coast, not to mention the wear and tear on our highways, has contributed to our coastal losses and infrastructure damage. Many of those roads are not only conduits for our nation's oil and gas and related industries, but also serve as the only hurricane evacuation routes for many of our citizens. The nation receives billions of dollars in revenues at great cost to Louisiana's coastal towns and cities and our people and its unique culture.

The State has a plan called Coast 2050 that will prevent much of our projected land loss and will significantly enhance our current efforts to save and rebuild our coastline. But the plan is expensive, almost $14 billion over the next 50 years. I think I saw the other day where that is just a couple of bombers, but anyway. The legislation will provide the money to help us implement the Coast 2050 program. The cost of not doing what needs to be done will be catastrophic to our state and our nation. Recognize that this legislation will be good for every state in the union, and we in Louisiana are proud of our contribution to the nation through the Federal dollars we have helped generate.

I would also like to express my support of both Titles II and III in this bill. Louisiana will benefit from these, especially Title III, which will go to ensure the conservation of non-game species before they become endangered.

We have gone through the challenge of bringing back the brown pelican that almost disappeared and the alligator from the Endangered Species List. Both are now thriving in Louisiana, thanks in great part to our Department of Wildlife and Fisheries. I have asked my Secretary of Wildlife and Fisheries to submit additional comments on Titles II and III to be included as part of the record.

Mr. Chairman and members of the Committee, all three Titles of this bill are vitally important. Our state has borne the brunt of 90 percent of the Federal offshore mineral development and it is time to provide relief. Please make the enactment of H.R. 701 in 1999 a priority of this Committee and of each of you individually. Please be fair to Louisiana in the final version of the bill that is enacted by the Congress.

Thank you very much.

[The prepared statement of Hon. Foster follows:]

STATEMENT OF HON. MURPHY J. "MIKE" FOSTER, JR., GOVERNOR, STATE OF LOUISIANA

Mr. Chairman and Honorable Members of the Committee, welcome to Louisiana. Thank you for taking your time to travel here to learn about this important issue from Louisianians that represent a number of interests in our state.

To my friends, Congressmen Billy Tauzin and Chris John, thank you for all your efforts on behalf of our state and its people.

Mr. Chairman, the State of Louisiana strongly supports the enactment of the Conservation and Reinvestment Act of 1999, H.R. 701. This legislation addresses both an inequity and a great need of our state.

First, I'll address the inequity. The Federal Government has not been fair with the State of Louisiana when it comes to the return of Federal mineral revenues to states that are impacted directly by Federal mineral development. The problem is that the Mineral Leasing Act of 1920 shares 50 percent of the onshore Federal mineral receipts with the states, but the Outer Continental Shelf Lands Act shares only a fraction of the revenues from those Federal offshore leases located closest to the adjacent coastal state and has done that only since 1986.

In fiscal year 1997, five states received from the Federal Government more Federal mineral revenues than did Louisiana, yet the Federal mineral receipts from offshore Louisiana were over five times greater than the amount of mineral revenues from any of these five states. For example, from onshore New Mexico, the Federal Government received $341 million and returned $167 million to the state. The Federal Government received $489 million from Wyoming and returned $237 million to the state. These funds were distributed automatically, with no restriction on use, and were not subject to appropriation by Congress.

Now, what about Louisiana? Louisiana provided the support for $2.7 billion in Federal receipts from offshore oil and gas development on the Louisiana OCS in fiscal year 1997. Louisiana received in return only $21.1 million—one-tenth of Wyoming's receipts and one-eighth of New Mexico's receipts. In addition, these states collected severance tax on the production of the Federal minerals that were produced in their states, but Louisiana cannot collect severance taxes on the Federal oil and gas produced on the Louisiana OCS.

If you look at the cummulative numbers since 1920, the Federal Government has received from onshore New Mexico $5.4 billion and returned to the state $2.6 billion. The Federal Government has received from onshore Wyoming $7.8 billion and returned to the state $3.9 billion. From Louisiana, combining onshore revenues since 1920 and offshore revenues since 1953, the Federal Government has received $49.9 billion and has returned less than $900 thousand to the state. That means that New Mexico and Wyoming have received about 50 percent of what they have contributed, while Louisiana has received less than 2 percent. By anyone's count, those numbers represent a great inequity.

H.R. 701 will partially correct this injustice by sharing with Louisiana about 10 percent of the annual revenues from Federal oil and gas development from the Louisiana OCS.

Mr. Chairman, correcting this current inequity to Louisiana will also help us address some major needs of our state and the nation. Number one is the restoration of our coastal wetlands and barrier islands. We have lost 1,000 square miles of our coastal land in the last 50 years and are projected to lose another 1,000 square miles in the next 50 years. Our coastal wetlands are unique and cannot be replaced as a natural resource of this nation. Federal oil and gas operations and the thousands of miles of pipelines that cut across our coast, not to mention the wear and tear on our highways, have contributed to our coastal losses and infrastructure damage. Many of those roads are not only conduits for our nation's oil and gas related industries, but also serve as the only hurricane evacuation routes for our citizens. The nation receives billions of dollars in revenues at great cost to Louisiana's coastal towns and cities, our people and their unique culture.

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to ensure the conservation of non-game species before they become endangered. We have gone through the challenge of bringing back the Brown Pelican and the alligator from the endangered species list. Both are now thriving in Louisiana, thanks in great part to our Department of Wildlife and Fisheries. I have asked my secretary of Wildlife and Fisheries to submit additional comments on Titles II and III to be included as part of the record.

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PRESENTATION IN SUPPORT OF

CONSERVATION AND REINVESTMENT ACT OF 1999

(H.R. 701)

AND

PERMANENT PROTECTION FOR AMERICA'S RESOURCES 2000 ACT

(H.R. 798)

by

Benny Rousselle

Parish President

Plaquemines Parish Government
106 Avenue "G"
Belle Chasse, Louisiana 70037
(504) 394-4080

Legislative Field Hearing
Louisiana State Supreme Court
New Orleans, Louisiana

May 3, 1999

Mr. TAUZIN. Thank you very much Governor.

Governor, those lights were meant only for when Hunt Downer speaks.

[Laughter.]

Mr. TAUZIN. We are sort of at your disposal here. Would you like to remain while other witnesses speak or would you like to take questions now, or are you in a rush?

Governor FOSTER. I will be glad to take questions, I probably need to get out of here in the next 30 or 40 minutes.

Mr. TAUZIN. Why don't we see if any of the members have questions for our Governor. Any members?

[No response.]

Mr. TAUZIN. Well, then let me quickly ask one. Governor, the one thing that I think stood out about your relationship to Louisiana as you ran for Governor is that your reserved your weekends for yourself pretty much, to be at home and to be with your family. A lot of us have admired that. And I also know that you spent a lot of those weekends hunting and fishing, those are big parts of your life. You mentioned how you saw points where you fish disappear, actually gone now, and you mentioned how quickly this is occurring.

If this legislation is not adopted, does the State of Louisiana have anywhere near the resources it would take to begin preventing, halting or at least in large measure, big steps, mitigating the damage that is occurring to Louisiana?

Governor FOSTER. The truth is that the answer to that question is probably not. We have as an administration done something that has not been done in the past, we made sure that we have matched all the Federal money that we could to do coastal projects. We have put more coastal projects as an administration in the field in three years than was done in the last eight. We take it seriously, we have people that are involved in this coastal problem that are very serious, very talented, but it does take money.

We do have the technology to save this coast and I was not joking when I said that we had a meeting the other day that discussed this, everybody in the state that is interested in coastal projects. And the truth is it is probably the cost of two B-1 bombers to save this coast, but Louisiana, as I say, has the technology to do it. Now we have learned how to do it, we have learned how to divert water from the Mississippi River and actually create marsh. We have learned all the tricks there are to save the coast but it is going to be very, very difficult to raise the amount of money. We can match funds, but the truth is so much of this has been caused because Louisiana is doing something that affects the rest of the nation. I do not want to get long-winded here, but you forever hear people say that there seems to be a feeling nationally that oil and gas is a dangerous thing to have off your coast—people in Louisiana do not feel that way, as you well know, because we have enjoyed the production of the oil and gas it has taken to operate this country, but the truth is we have done it at a price and we have accepted that price of canals, of maintaining the highways to the coast. Not only that, but from a needs standpoint we accept the majority of the water that is drained off the country down through the coastal areas. So we are unique in that what we serve for the country is

the production of minerals, the money that is realized by the Federal Government from the production of those minerals, the acceptance of all the water that comes down the Mississippi and Atchafalaya Rivers, and we just feel like at this point in time if we are to save the culture that has produced this, we need help.

Mr. TAUZIN. And I guess the second question and one equally important to members of this panel is if Congress were to accept the recommendations of the Mineral Management Service and share this money with the 37 coastal states, share the money with the 50 states for land acquisition and water conservation across America, is there any doubt that the State of Louisiana would commit its resources to match those funds, to use those funds to do exactly that, save this coast?

Governor FOSTER. No, we will not waste it. We have not been known as an administration that wastes money. We will spend it back into the area that we have been talking about this morning, to save the coast, to keep the infrastructure up that it takes to bring this material to the rest of the country. So no, we will not waste it, I can promise you that.

Mr. TAUZIN. Governor, thank you very much. Any other members? Mr. John.

Mr. JOHN. I have a quick comment and possibly a question. You had talked about in your testimony, Governor, about Coast 2050. In 1988 when I was in the State Legislature, we saw fit and moved a Constitutional Amendment that provided a coastal restoration trust fund that commits some of the state's oil and gas receipts into a trust fund to prioritize some of the projects. What we are doing or attempting to do on the Federal level is to do something very similar to what the State of Louisiana has committed to. Could you give us a little bit more about what Coast 2050 is and how that relates to the coastal trust fund? And also, Congressman Tauzin said the commitment from Louisiana has been there for a long, long time because we see how important it is to Louisiana, but now it has become I believe a Federal—a United States, an American problem, because of the resources that are developed right off of our coast.

Governor FOSTER. Chris, let me simply say that the details of Coast 2050—there are people here that can give you the details a lot better than I can—but one of the things that I learned when I got into government at this level was that there had been very, very little planning in the State of Louisiana. In fact, I have a favorite saying, if you do not know where you are going, you sure as heck are not going to get there. That existed not only economically in this state where there was no plan to where we went in the future, it existed—we did not have the specifics of a coastal plan, we do now, as I say. That plan is a plan that simply tells us how we can get there, what will work, and as I say, just recently I have been involved in meetings that convince me that the technology is there. The technology is there to save the coast, the planning is there, there has been a lot of planning put in place and it is a monetary thing at this point.

Mr. JOHN. I think it is important for the other members of the Committee to understand that Louisiana has committed financial resources to saving our coast and I think now it is time to pass a

Federal piece of legislation that would continue to save the resource, because again, it is not only Louisiana that is washing away, it is America that is washing away.

Governor FOSTER. I do appreciate, and I understand you all took the other members of the Committee to look at the expanse of it. You know, you hear about the Everglades, but the Everglades are really just a small, small place compared to coastal Louisiana and the problems we have here. So I do appreciate the fact that you and Billy took other members of the Committee and gave them a broad overview of what we have to deal with down here, because it is huge.

Mr. JOHN. Yes, it was a very educational and wonderful experience as we flew over and saw some of the diversion projects on the Mississippi River that have really replenished some marshes, but I guess the highlight is when we flew over your favorite fishing spot and told them that if they were to go there, that was where the Governor fished, so you know they have a lot of fish there; we saw it from the air.

Governor FOSTER. The places I went disappeared—I am serious. I had a little hole right across from the marina on a big point and it has been there for 20 years. I have been to Grand Isle once this year and that point is gone.

Mr. JOHN. I know the Governor and your tenacity to fish, I am sure that one of those little global satellites, you have got it marked pretty good, so you know where it is.

Governor FOSTER. So that the Committee will know how bad it is, in my boat, I have a little global map which is a GPS that has a map of the land. I find myself most of the time running over areas that are marked on the map as land, which makes you a little uncomfortable, it shows you are running in areas where there was land five years ago.

Mr. TAUZIN. Thank you very much, Chris. Any other members?

[No response.]

Mr. TAUZIN. Governor, again, we want to thank you. I hope you know the importance of this field hearing and I want to commit to you again our serious intent to try to get this legislation done. Senators Breaux and former Senator Bennett Johnson, as you know, have fought for many years to try to realize for Louisiana some share of the coastal revenues, that we might use them for these purposes. We have had some successes from time to time, the 8G monies and in fact the Breaux Bill passes or shares the money, with the State of Louisiana for some of the coastal projects. The effort that Senator Landrieu has engaged in on the Senate side and the fact that Chairman Young now, Chairman of the Committee on Natural Resources, is the lead sponsor of this legislation on the House side. And for the first time, the Federal Government itself is recommending, the Executive Branch, is recommending that we share with the coastal states to help them deal with these problems. I think we have a golden opportunity, Governor, and I thank you for taking it so seriously. We are hearing the pleas of the young boys and girls like Daniel today and we are going to do everything we can to make this real, Governor. Thank you for coming.

Governor FOSTER. Thank you.

Mr. TAUZIN. We will now hear from—Governor, if you have to at any time depart, we understand.

We will now hear from the Speaker of the Louisiana House, the Honorable Hunt Downer, from Houma, Louisiana, who also grew up, like Daniel, in Terrebonne Parish in those wetlands that are so fast eroding. Mr. Downer.

STATEMENT OF HON. HUNT DOWNER, SPEAKER OF THE HOUSE OF REPRESENTATIVES, PRESIDENT OF STATE SENATE, BATON ROUGE, LOUISIANA

Mr. DOWNER. Well, thank you, Congressman Tauzin, Congressman John, my two former colleagues, one who was my former roommate, and of course Congressman Jefferson, who served in the legislature with us, Senator Landrieu who served in the legislature with us, and to our two guests from out of state, welcome to Louisiana and thank you for this weekend touring my area of the state, south Louisiana.

I think as I come here before you today, I bring a unique perspective and I would like to just maybe not so much give testimony but just talk to you about that unique perspective. I grew up as a young boy in south Louisiana, Terrebonne and Lafourche Parishes. I fished and I hunted those areas.

As I grew older, I worked my way through college as a roughneck and a roustabout in the oil fields of south Louisiana in those very marshes, inland waterways and offshore that you flew over last night. In addition to that, while in high school, I drove a delivery truck that delivered produce to some of the mom and pop grocery stores down the bayous. As that young delivery boy, I traveled shell roads that are no longer there, they have been washed away or had to have been moved further inland because of the erosion.

And then as a citizen soldier, member of the Louisiana National Guard, I have been activated on numerous occasions for the hurricanes that came across south Louisiana. In fact, Congressman Tauzin was one time for one of the hurricanes, I think Juan in the mid 1980s, was assigned as your escort officer as you came down there.

Mr. TAUZIN. That is right.

Mr. DOWNER. And in all of those situations——

Mr. TAUZIN. Nearly drowned me, by the way.

Mr. DOWNER. Well, if you had stayed longer, we would have.

What you saw yesterday or Saturday as you flew the coast is how it is now. What you missed is how it used to be. On one of those hurricanes, we actually saw chunks of land, large chunks—in fact, we nicknamed them floatons—just floating out with the tide, large chunks, because of the water that washed in.

As a young man roughnecking on the rigs, I was out there when we moved a rig on location and required the dredge boat to go through to cut the location canal. What was then a narrow location canal or a slip for a rig has not, because of salt water intrusion, coastal erosion, become lakes or large ponds.

Our land is eroding away. It is a delicate balance, the Terrebonne-Barataria Estuary protects not only Louisiana but the rest of the nation. I jokingly tell my colleagues in north Louisiana, like Senator Ewing—someone said well why would someone—and your question was about the money the state is committing for

coastal restoration—well, why would someone from north Louisiana, we all understand the politics of it, want to support coastal restoration money set aside for projects in your backyard, Hunt, why would they want to do it? And I jokingly tell them because if you do not, my legislative district will move north and I will be running against you.

[Laughter.]

Mr. DOWNER. That puts it in a perspective sometimes that we can understand. While that may be somewhat of an exaggeration, in the time we have been here in this room today, we have lost in this one half hours between the first panel, Mr. Snyder, and this panel, we have lost one acre of land.

Now the reference was made by the Governor to the B-1 bomber or the B-2. We can build another bomber, we cannot manufacture more land. We can try and save what we have, we can try and restore some of it. The Coastal 2050 plan is a plan with the right help, with additional funding, that over a number of years will get us to where we will stop the land loss.

See, we have done a lot of things to ourselves, not knowing it. We have allowed the Mississippi River to be levied, it had to be because of the flooding. Now when we did that, we channeled the water in a different direction, it no longer replenishes our marshes, it no longer gives us that protection. And as that saltwater comes in and mixes with the fresh water, in the areas that used to be fresh water bays and bayous, there is now brackish water. Brackish water kills green vegetation that is used to fresh water. And then the next time you have a storm without the barrier islands there, that washes it out.

They always say a picture is worth a thousand words. What you saw this weekend is worth 10,000 words. You saw it. What really put it into perspective for me, having lived there all of my life, having seen it and experienced the hurricanes, having seen the ravages of the hurricanes as a legislator, being asked to respond in an emergency situation, as a National Guard officer prior to and during the evacuation, going out during the storm and watching our land wash away. Granted, we cannot see that half acre wash away every 15 minutes, but when you have a storm you can see it because it is visible.

Clifford Smith from Houma, with T. Baker Smith & Sons, did a little chart. If you just look, everyone in the country ought to want Louisiana to remain intact. We are catching all the hurricanes. If we are not here, someone else is going to get them, but every one of these hurricanes and every time they come in, they take part of our soil, part of the United States of America is washed away if we do not do something to protect it.

This is what you saw this weekend. Here is a projection of where we will be in 100 years if we do not take action. Here is the City of Houma surrounded by all of this land. That is my legislative district. Here it is surrounded by water. Mr. Snyder was correct, we will be a nice port. We will replace the Port of New Orleans at the rate we are going. Now someone could argue, Congressman Jefferson, that might be good economically. We like the land we have got, we would like to keep it.

Here are just two examples of what has happened. Here is the before the hurricane, nice island; here is the after, nothing. Same here—island, nothing. It happens and is happening as we talk today at the rate of one half acre ever 15 minutes.

I would like to thank you all for once again coming, seeing, hearing, feeling and experiencing what we are all about. Louisiana is the gateway to the rest of the nation because of the Mississippi delta and the Mississippi River and if we do not protect the gateway to the nation, we will lose in the long run as a nation.

Thank you, sir.

Mr. TAUZIN. Speaker Downer, thank you very much, sir.

We are pleased now to welcome from north Louisiana, President of the Louisiana State Senate. As Hunt Downer has pointed out, Louisiana is often talked about as two states, north Louisiana and south Louisiana. Randy, on behalf of all of us here in south Louisiana, I want to thank you for bringing the state together as the presiding officer of the State Senate, but more importantly as a big and important leader in the state, you have done a great deal to make this one state again and I want to thank you, sir, for being a part of this.

[The prepared statement of Mr. Downer follows:]

STATEMENT OF HON. HUNT DOWNER, SPEAKER, LOUISIANA HOUSE OF REPRESENTATIVES

Mr. Chairman and Honorable Members of the Committee, I would like to welcome you to Louisiana and thank you for the opportunity to express my strong support of the Conservation and Reinvestment Act of 1999, H.R. 701.

I would like to thank Congressmen Tauzin and Johns for all of their hard work on this legislation in an attempt to correct the inequity of the Outer Continental Shelf Lands Act.

I have lived in coastal South Louisiana my entire life and have a unique advantage over many. As a boy growing up I fished both onshore and offshore and saw firsthand the beauty of this state, saw it as it changed and to my eyes began to disappear. As a young adult, working my way through school I worked offshore as a roughneck and roustabout on the rigs in the Gulf. There, I became more familiar with our coast and the barrier islands. As a national guardsman I have assisted with disaster relief after hurricanes and floods. And, as an elected public official, I have learned more of the intricacies of this problem, being called upon by constituents to procure help from the state and Federal Governments to fight coastal erosion and all that goes with it. So, for my entire life, in one capacity or another, I have watched the changes, the disappearance and destruction of our coast, our barrier islands, our marshes and our wildlife and fisheries. Places where I fished twenty years ago no longer support freshwater fish because of the encroachment of saltwater and our potable drinking water supply is threatened. Birds and animals have become endangered because of the destruction of nesting sites and natural habitat along the coast and in the marshes. Islands that, in the past helped protect us from the destruction of hurricanes, no longer exist. I have literally watched the Louisiana coast, its flora and fauna wash away and disappear. Once familiar places, gone forever.

Please allow me to put this in perspective. In 15 minutes one-half acre of Louisiana coastline is lost. That's two acres per hour or 20 square miles in one year. I jokingly tell my North Louisiana colleagues in the legislature that they need to support coastal restoration because at the rate we're losing land it is possible that in the next few years my district will be in theirs and we will be running against each other. But all joking aside, no other place on Earth is disappearing as quickly as the Barataria-Terrebonne Estuary. Yet our coast, one of the most fertile wetland ecosystems in the world is not receiving the attention it deserves. On the other hand, the Federal Government has pledged $8 billion to save the Everglades. It is estimated that it will cost approximately $14 billion to save our coast. And the longer we wait, the worse the problem gets. If nothing is done soon, we will lose about $150 billion in infrastructure.

The disappearance of wetlands also contributes to dead zones in the Gulf. These are areas of oxygen-depleted water sometimes covering 7,000 square miles. Scientists who study the problem tell us that this is caused by fertilizer from the Midwest that washes down the rivers. Wetlands filter these chemicals but as the wetlands disappear, so do the filters. The dead zones have doubled since 1992, only six short years.

And we have given so much for so little. Although the Federal mineral revenue from Louisiana to the Federal Government exceeds the top six states almost ten fold, the return to our state is the lowest of these six states. And none of these states has suffered the infrastructural, social or economic impact to the extent of Louisiana. We have suffered displacement of communities, we have seen displacement of offshore workers, and changes and disappearance of the culture and way of life for many along the coast. As mentioned before, our hunting and fishing have suffered and, therefore, our tourism industry. And, please remember, tourism is the second largest industry in Louisiana generating over $6 billion.

Louisiana stands ready to take action through the Coast 2050 Program and the Coastal Restoration Plan to correct this devastation. The passage of this legislation will make these plans a reality. I urge you to consider our plight and correct the past inequities by giving Louisiana its fair share in the final version of this bill.

STATEMENT OF HON. RANDY EWING, PRESIDENT OF THE STATE SENATE, BATON ROUGE, LOUISIANA

Mr. EWING. Thank you for those kind comments and thank you and the other members who have come here on a very important mission.

I have found in the Legislative Branch that those committees that do go and take the time and seek the information and get the documentation they need become the most effective voice in the body. The rest of the members rely on them for the information they gain and the expertise they have on that issue. So as you leave from here with the knowledge that you have and the insight that you have gained and go back to Congress, I think that you will be in fact the most effective spokesmen for the issue at hand.

We are one state, not a north and a south Louisiana. Sometimes we get caught in the debates and sometimes even in some silly comment, but what goes on in south Louisiana, what goes on in the Port of New Orleans, is extremely important to those of us in north Louisiana as we need ways to export our cotton, our corn and our manufactured products. And it is equally important that south Louisiana give significant attention to the value of north Louisiana and I think we have made tremendous progress.

So we talked today about an issue that is not about south Louisiana and about the coastal zone insofar as the interest from only those people who can see it or who live there, but we talk about it in regard to how all of our state, our 4.5 million people are affected, but also how everyone in this country is affected.

You know, in a few years, we are going to celebrate the Louisiana Purchase, which is probably the most amazing and valuable real estate transaction in history. We were purchased and the purchase was considered and took place because of the value of that property to the Union, the coast, the resources, the trade, the river. I was with John Berry Saturday night, who wrote Rising Tide and also told the story of your father, Bill, working on the levee during the flood of 1927. And he pointed out that 33 of our states are drained by the Mississippi River and this has been a major factor in our economy, major factor to all of the United States over the history of our country. He also pointed out the problems that we

have had and it has been brought to your attention already by previous speakers about the erosion that we have or the fact that we are where all these waters do drain. I would like to say that the merger of the property in the Louisiana Purchase and the Union have been good and we have certainly had mutual benefit.

I think the legislation that we have before us and that you have before you is properly directed, because what it says is we have had opportunity and we share the richness, but we also share the responsibilities of taking care of our coast line and we also have shared the great benefit of the mineral resources that have come. At one time, Louisiana provided about 640 million barrels a year of the production that the United States used. We now provide about 130 million barrels. We are no longer a producer. In north Louisiana, we used to have wells all over the place. The east Texas field drifted into Louisiana and it was a very big part of our economy and the 55,000 jobs that were there, nearly half of the jobs were on land and not just offshore. We had our tax base predicated on this with our severance tax.

Today, our contribution to the nation insofar as production that comes from under our soil has dwindled to the 135 million barrels as opposed to the 600 million we used to. But we are still the processor, we are still the area that delivers the natural resource to the rest of the nation. It is just that it comes from offshore and it comes from foreign markets.

We deliver a tremendous service to the nation in transporting in that we have 40,000 miles of pipeline that cuts across our coast, our timberlands and all over Louisiana. They cut through our farms, they cut through our communities, they cut through our woodlands, they cut through our coast. We are tremendously impacted by the infrastructure that we have to have to render this service to the rest of the nation. We have thousands of waste pits, we have thousands of disposal areas. We have in fact provided a service for the nation in providing energy for all of these years and now we have legislation that says we need to relook at Louisiana's part and their share for having made this contribution to the nation.

I think that we are certainly in line and should be considered for proper sharing of not only the responsibility we have, but also the gain that is made to the rest of the nation. And I do welcome this opportunity to come and present our side. There is a lot of technical data that can be provided by others, but I can tell you from the standpoint of our people, Louisianians are a proud and a caring and a patriotic people. We fight in our wars, we provide the goods and services such as the Higgins boat, we share our culture, we share our economy, we share our service of delivering natural resources to the rest of the nation. And we think that it is indeed appropriate that we now share in the gain that comes to the rest of the nation.

I compliment those who have brought this legislation, I compliment those in our delegation who know so well this issue and have brought it to the attention of those others who have come here and will hear of this and who represent us in Congress from other states.

I thank you for your part in this, I look forward to favorable passage and funding of this very vital piece of legislation.

[The prepared statement of Senator Ewing follows:]

STATEMENT OF HON. RANDY L. EWING, PRESIDENT, LOUISIANA STATE SENATE

Mr. Chairman and Honorable Members of the Committee, thank you for this opportunity to express my support for the Conservation and Reinvestment Act of 1999, H.R. 701, some of the most important conservation legislation Congress has ever taken under consideration. Although I support all three titles of the bill, I want to specifically address Title I which would dedicate 27 percent of the annual Federal offshore oil and gas revenues to coastal impact assistance.

I hail from northern Louisiana, just 50 miles south of the Arkansas border, but only 200 miles from the Outer Continental Shelf. All of my life, my friends and neighbors have worked offshore on the rigs that produce oil and gas from the coastal waters. The oil and gas industries employ over 55,000 people in Louisiana, and more than 30,000 are employed offshore. Over the years, countless right-of-ways have been secured and pipelines laid through our timber, farm and residential lands across the state.

From the 1940's through the 1980's, there was much onshore exploration across Louisiana. This was a major part of our economy. During the last 20 years, however, most of the land based oil activity has dwindled. Louisiana is no longer a major onshore producer of oil and natural gas, but rather a major processor of these resources. Revenues to fuel the economy produced from severance taxes have dwindled, but our cost of maintaining support for the state's infrastructure and addressing our environmental concerns have increased dramatically. Schools, hospitals, roads, education and public safety once supported by our mineral production have seen revenue support decline from 42-and-a-half percent of our budget support to 8 percent. As increased volumes of OCS and foreign products took the place of domestic production, we simply lost our base. Yet the country is still as well served as ever reliable and reasonable sources of energy that Louisiana has provided through location, massive infrastructure and its people.

Louisiana people, natural resources and infrastructure make it possible for Federal OCS oil and gas exploration to be successful and economically developed and for foreign oil to be landed, transformed into useful products, and distributed throughout the United States. Forty-thousand miles of oil and gas pipelines crisscross the state, its sensitive wetlands, residential neighborhoods and densely populated areas. These activities require thousands of miles of canals, ports for barges and ocean-going tankers, roads, hospitals, public works structures, fire and police protection, hundreds of plants, thousands of waste pits and waste disposal and treatment facilities. The processing in Louisiana of OCS and foreign oil results in the destruction or degradation of the Louisiana environment.

In 1997, Louisiana provided development of $3.8 billion of Federal mineral resources and received only $18.2 million for its share of revenues produced in Federal offshore waters. Annually, Louisiana handles one-half billion barrels of oil, 135 million of which are from Louisiana. It handles 6.5 trillion cubic feet of gas, 1.6 trillion feet of which are from Louisiana. Twenty-five years ago, Louisiana's contribution from its own production was four times greater, but Louisiana still handles the same amount of oil it always has. The major difference is that most of the product is foreign, from the OCS, or from other states.

Louisiana's OCS is the most extensively developed territory in the United States. It has produced 88.8 percent of the crude oil and condensate and 83.2 percent of the natural gas extracted from all Federal OCS territories from the beginning of oil and gas exploration and development in the United States through the end of 1996.

Eighteen percent of the U.S. oil production originates in, is transported through, or is produced in Louisiana. Twenty-four percent of the United States natural gas production originates in or is processed in Louisiana coastal wetlands. There are 3,439 platforms in the Gulf off the Louisiana coast.

The idea of a fair share from our fellow American citizens living in the rest of the country is not new, but this renewed effort to seek consideration equal to that of any other state that provides such a valuable service and contributes so meaningfully to our country's well being cannot be ignored.

In a little less than four years, our nation will celebrate the 200th anniversary of the Louisiana Purchase, the most amazing and valuable real estate purchase in history. The Union and the purchased region merged and, throughout the years, enormous mutual benefit has been derived.

Louisiana is a proud and patriotic people. We fight in our wars, we grow great quantities of food and fiber, we share our culture, our resources, our labor, our love. We have in the past and we always will. We only ask for our fair share. The Conservation and Reinvestment Act of 1999 will provide this.

Mr. TAUZIN. Thank you, Senator Ewing.

I might point out that Don Young, the Chairman of our Committee, if he were here he might challenge your argument that the Louisiana Purchase was the most important. He after all represents Alaska, which is part of Seward's Folly when Alaska was brought into the Union. He would claim that that was the most important. We would argue with him.

Mr. EWING. We surely would.

Mr. TAUZIN. And of course, Bob Livingston's ancestor was a person who negotiated that purchase, so we are going to be proud to celebrate it here in Louisiana.

Mr. DOWNER. And in typical Louisiana fashion, he had authority for only a couple million and spent three times that and look at the bargain he got.

[Laughter.]

Mr. TAUZIN. Now we are pleased to welcome—I am sorry.

Mr. DOWNER. Mr. Chairman, if we could interrupt and beg your leave, Secretary Westphal and our former colleague Parish President Rousselle, with the legislature in session, we thank you for scheduling this at 8 a.m. in the morning so we could be here, all of us, but if we are not back there, you know——

Mr. TAUZIN. Bad things could happen.

Mr. DOWNER. Things can happen, and we would like, if you do not mind, yield to any questions before we would leave.

Mr. TAUZIN. Congressman DeFazio.

Mr. DEFAZIO. Mr. Speaker, you know, I have developed a greater understanding of your problem and realize there are many, many complexities and some extraordinary projects that have to be undertaken, but one thing that struck me in the helicopter flights and I asked this question from the people accompanying us on Saturday was that part of the problem was caused by the ditching for the pipelines. And since you raised the issue of having worked on one of those crews, and I rather—and they put in these plugs but the plugs frequently leak or break or erode away and so I asked the question well could we not require that or could it not be required that the oil companies go back and do something about those ditches, those canals. And the response I got was not entirely adequate to my understanding, it was to say well, we did not require it at the time. Well, okay, but we did not know it was a problem at the time. Couldn't we still require it now, would it not be within the power of the State of Louisiana and the legislature to require them to go back and begin to repair that problem?

Mr. DOWNER. Well, yes and no, sir—good answer from a politician. Yes, you could do it from this point forward and no, you could not from the point that we passed. One, many of those companies are long since gone. At the time they were done, we thought that was the way to go, we did not know. We thought that is how you did it, we did not realize how delicate the balance was and what happens, you reach that margin of no return, it is a small canal, it was just wide enough. Once the canal is there, what happens?

The boat traffic in and out the canal further causes the erosion from just the tidal action, the wake action from the boat. And it has been compounded not just by the original use of digging it as a location canal for a rig or for a pipeline canal, it is just gone. And then when you complicate that by bringing in salt water intrusion, through a hurricane, where you have that massive tidal surge, it deposits within that fresh water, that salt water, that mixes and becomes brackish and then gradually kills that vegetation which is holding the land together, the soil, and then when you have that low tide or that tidal action, it washes out with it.

So, sir, we can do some remedial work. Part of the Coastal Plan 2050 will address that by putting a barrier island which will protect us from some of that salt water incursion and intrusion and then with some of the diversion project, the Barataria-Terrebonne Estuary Program, the Atchafalaya Basin Program, where we will start putting some fresh water back into there, which will bring with it deposits of soil as it comes down the tributaries of the Mississippi River. We will gradually reverse that process. So yes, sir, it can be addressed. Can we go back and make those companies who did it? Sir, it has been a combination, multiple companies have used those canals, they are there, they have become passes for vessel traffic, commercial as well as private vessels. It has just been compounded. We are now watching it and trying to regulate and control it, requiring as part of the permitting process to get a location or a leased location within the inland waters, some kind of check and balance. Unfortunately, what is the old saying, after the horse is out of the barn, why close the door. Well, we are closing it, but too many horses may have gotten out.

Mr. DEFAZIO. Well again, the problems are vast and the funds necessary will be vast and I am just looking at the possibilities of an ongoing contribution from industry, not only in better practices in the future, but in the past. And I guess I would look at the Federal black lung program where at the time we did not know black lung was a problem, later when it became apparent it was a big problem, we adopted a program where if there was a still existing responsible operator, that they would pay an additional share of the costs and if we couldn't identify in the case of a company that has gone out of business and there is no successor company, you know, then the feds would pay, and I just would suggest that there may be something along those lines where there are still some very large oil companies operating very profitably, you know, who could be identified as being responsible for some of these problems and getting them to contribute, in addition to what other resources can be brought to bear.

Mr. DOWNER. One of the uniquenesses of the situation also, sir, is that there is an offshore oil industry beyond our state control that comes through Louisiana, of which we cannot really, because of the various restrictions, really regulate. And that has been a contributing factor, and hence the reason for this legislation on the Federal level, because of the Federal impact to our coast as it traverses or comes through Louisiana.

Mr. DEFAZIO. Thank you.

Mr. TAUZIN. Would the gentleman yield a second?

Mr. DEFAZIO. Certainly.

Mr. TAUZIN. Let me point out to the gentleman that one of the oddities of our situation is that because of resources developed in the Federal zone, Louisiana does not realize any dollar contribution from the oil today. In fact, the oil and gas that is produced offshore Louisiana, is put in for processing and then shipped out of state, almost 90 some odd percent of it, is more heavily taxed in Massachusetts where it is used. The people of Massachusetts have the benefits of those taxes on that resource—than it is in Louisiana because we have no power to tax that resource from the Federal regime.

So we have some problems in funding. What we are talking about in this bill, of course, is sharing some of the royalties, some of the dollars from the oil companies to go back and do these repairs, which is very much in line with what the gentleman said and certainly the Governor has offered to supply the Committee with full details of our 2050 plan which includes some very dramatic changes in the way we permit the exploration and use of those resources in today's world where we understand those consequences.

So the gentleman is right, we have learned an awful lot.

Governor FOSTER. But to respond to that too, sir, it really is a small part of the problem. The interesting thing is the OCS, the outer continental shelf that is out there is really quite close to our coast, three miles. In Texas, I think it is 10 miles. So that is really very close to us and everything that goes on out there is a—the whole infrastructure behind it has to be handled by the state that is attached to it. So it is not only the canals that have caused a small part of the problem, it is the fact that we have had to maintain the roads, we have had to accept the pipelines, we have had to educate the people that have been involved in that industry. We have had to—so it is a very big problem, which that is a small part of. And actually if we were not—if we did not have the flood control structures that we have in this state, we would still have overflow and even these canals would not be a problem because we would have water coming into the marsh areas and putting silt back there and keeping the water from going too salt and keeping it more fresh.

That is exactly what we are trying to correct through these projects where we divert water out of the Mississippi River. And it is such a huge problem that, as I say, that is a small, very small portion, maybe 3 percent of the total problem.

Mr. JOHN. If the gentleman would yield just briefly. I think the gentleman from Oregon has a very interesting question. I think it is a very legitimate question. However, I think the danger that we would deal with, Peter, is that because of the magnitude of the problem, which has been compounded over the years, and of course the Speaker was exactly right, some of the companies that actually have used it would have originally been responsible for them have since come and gone, I think that it would turn into a litigious nightmare with litigation as finger pointing because of the financial incentives. It would become very much like a Superfund problem where a lot of the dollars would be eaten up in litigation fighting about who is responsible rather than being spent on what the real problem is. And I think Louisiana really could not wait for the out-

come. But you raise a very legitimate question, but I think to get down to the bottom of responsibility would really take a lot more money which could otherwise be used top rebuild our marshes and coastline.

Mr. TAUZIN. The gentleman from New Orleans.

Mr. JEFFERSON. I would offer a small point. I think, as Chris has said, Peter is right to the extent that this issue can be addressed through funding from private concerns that are responsible, I think we ought to pursue it as fully as possible, and I think it ought to be part of our endeavor here. I think though that what Randy said earlier brings to mind some of the real issues here. That is that a large part of what has happened to our state has been the result of Federal policies rather than just Louisiana policies alone, that our state had little if any control over. When he talks about John Berry's book, Rising Tide, it ought to be required reading for everyone who makes policy about the river, and it is because were it not for the decisions made by the Corps back then, which at the time were considered to be the best informed decisions, a lot of what we are talking about today would not have befallen our state and we would be living perhaps a little different way than we are, but certainly we would not have the echo system issues that we are dealing with now. Those are Federal policies and there are many others that are not as obvious as that one.

But I do not have any problem pursuing what Peter is saying so long as we recognize that in the broad context, largely Federal policy has driven the problem and Federal policy needs come to the rescue of it. And that I think is what this approach is all about, that there is a huge Federal responsibility here that we must now recognize and do something about.

Thank you, Mr. Chairman.

Mr. EWING. Could I just add one thing? One point that I would not want us to miss is that at one time, Louisiana was the beneficiary of a good revenue source from our severance tax because of our own production. Now, since—in the last several years, approximately 80 percent of the production that has come from the territories developed off the continental shelf have come through Louisiana, so Louisiana was able at one time to provide for itself through its own severance tax base from the oil that came from under our soil. Now we are handling every bit as much, if not more, and serving the rest of the nation, but we do not have that tax base. And that is one of the reasons I think this is a very justifiable approach to allow or share the cost that lets us meet responsibilities, whether they be offshore or whether they be the degradation that we have had with 40,000 miles of pipelines.

I mean our state, from where we are sitting, I am about 230 air miles to the north part of our state—40,000 miles of pipelines that run through our state to serve the rest of our nation, for which we do not enjoy a benefit.

Mr. TAUZIN. Senator Ewing, I might add—the Governor pointed this out—a point that everybody needs to note. There was a point in Louisiana history when we could have gotten the same deal that the interior states have in terms of revenue sharing to deal with all these problems, when Governor Earl Long was offered a compromise on the Tidelands dispute by President Truman. He offered

him a deal that would have shared the Federal offshore revenues 50/50 with the State of Louisiana. Had we taken that deal, Louisiana would be the richest most western Arab nation in the world. We would be awash with funds to do the kinds of things we are talking about. As it is, you know, we lost that Tidelands decision and we ended up with only three miles of offshore rights.

And Senator, you are right, the real production is now offshore, we do not have it any more to deal with. And so much of what we are talking about here today is sort of catching up as a coastal state, deeply impacted by the contribution the offshore makes to the country, with an ecological disaster. I think Mr Downer, you said it, we cannot wait. Chris John said it, if we go to court for five, ten, fifteen years, we will have lost this battle already. It is already being lost every hour we speak.

So gentlemen, thank you and——

Mr. UDALL. Will the gentleman yield just a moment?

Mr. TAUZIN. Yes, Mr. Udall.

Mr. UDALL. Thank you.

Senator Ewing, I just wanted to ask you, because you brought up the point that at one point, that you did have the revenues coming into the State of New Mexico—excuse me—State of Louisiana, which we also have a lot of revenue, as you know, from severance taxes. And you had it. Do any of the witnesses know what amount of money that you had that was coming in at that time that was dedicated to these kinds of issues, coastal wetland restoration, restoration on these canals, all of those kinds of things, or would you be able to get us that information?

Mr. EWING. We can get you what information we have, but I would suggest that it probably looks very minor because when we were the big producer back in the 1940s and 1950s, our learning curve on these types of problems was not as great as it is now, but we were getting at one time as much as 42 percent of the revenues to run our state program, to educate our children, build our roads, provide our hospitals, was coming from the oil and gas severance tax. Now about 8 percent comes from the oil and gas severance tax.

Mr. UDALL. And we have seen that similar thing happen in New Mexico also, as domestic production has gone down. So I am very aware of that.

Mr. EWING. We have turned to apparently cheaper sources of oil and gas and that has been—the nation has benefited from that, if we can buy it cheaper than we can produce it here, but we have still continued to process it and move it to the nation, as have you.

Mr. DOWNER. Mr. Udall and Mr. DeFazio, thank you, because it is obvious you have seen and you saw what was happening to the delicate balance out there. Mr. Udall, on your question, when Congressman Tauzin left the legislature in 1980, 44 percent of our state budget dollars came from the oil and gas revenues. Senator Ewing just said it, this year, it is somewhere between 8 and 11 percent. Now that was our oil and gas severance tax and mineral royalties from within our boundaries. We are getting nothing whatsoever from anything on the OCS or beyond. We had a Tidelands dispute, we finally established our line because, you see, we were never part of any of that, so our line waxed—I guess or jurisdictional limits waxed and waned with the tide and it kept getting

smaller and further inland. When that boundary comes in, the oil and gas minerals that the state was receiving, they are lost because they are outside the line on the OCS and go to the Federal Government.

Governor FOSTER. But all of the infrastructure for that on the OCS is borne by the State of Louisiana, has to be.

Mr. DOWNER. And the roads, and that is what the Governor was saying. And if you were down at Port Fourchon, 6,000 vehicles—and I know some of those individuals are here today and you will get the figures—travel that narrow winding two-lane road along there. I jokingly say that if they ever drained the marshes around there, we would find half the missing persons from our area, their car has gone off in there.

Mr. TAUZIN. There is another thing worth noting before we dismiss these distinguished colleagues. Have any of you thought how many of the oil companies are domiciled in Louisiana? One, we have one Fortune 500 company domiciled in Louisiana. There is no Louisiana oil and gas company. Texaco, and even that one is domiciled in New York.

The point is that the large companies that have exploited the resources generally do not live here, the money is not banked here, it is not—does not revolve in the Louisiana economy to a large extent. The resources are now being produced primarily in the Federal offshore, not on our own lands, and now we are left with the problem. It is sort of the boom and bust kind of thing. The boom occurred, we did not know all these problems were going to result. Now we have got them, now we finally are here, and now the money that would be useful to solve it is unfortunately being produced in lands that under the Tidelands Act, Tidelands decision, we have no control over.

So we are in this position today, and to solve it is going to require this legislation, I think. And the good news is that 35 other states would share with us in this legislation, 50 would share in the second title. We have a chance of getting it done.

Thank you, gentlemen, for helping us make the point today.

Governor FOSTER. Thank you very much.

Mr. TAUZIN. While these members of the panel are leaving, I am going to bring an additional member who has just arrived, to do the formal welcome and then we will hear the testimony of both Secretary Westphal and President Rousselle.

The Mayor of New Orleans, the Honorable Marc Morial, has arrived and Mayor, we would like you to come forward and to address this important field hearing.

Ladies and gentlemen of the panel and the audience, it is my pleasure to introduce the Honorable Mayor of the City of New Orleans, Marc Morial.

STATEMENT OF HON. MARC MORIAL, MAYOR, CITY OF NEW ORLEANS, LOUISIANA

Mayor MORIAL. Good morning. I am so used to coming in here and saying may it please the Court—but Mr. Chairman and members of the Committee, let me first welcome you to our City. I am happy to see everyone up bright and early this morning and I hope

that the fact-finding that took place over the weekend was not too severe.

Let me just share with you a few thoughts on the issue that I know is of importance to all of us. I speak today on behalf of not only the people of the City of New Orleans, but also on behalf of the United States Conference of Mayors, which as you are aware is an organization of both Republican and Democratic mayors of cities with 30,000 people or more. We have, for quite some time, been a strong advocate of funding for urban parks and the opportunity that we have before us with the bills that you are going to consider this session, I think give us a chance not only to properly fund the Land and Water Conservation Fund and address the myriad of issues in that area, but also I come to urge a strong stateside component of that program and a strong component for urban parks.

Recently we conducted a survey, along with the National Association of Counties, NACO, and in that survey, it was revealed that 71 percent of the respondents felt that the Federal Government should assist cities and states in the development of local parks.

I think as we approach the new millennium, we see an American public that is much more physically active, an American public which is more aware than ever before of the need for families and children to have wholesome, meaningful and affordable recreational pursuits available to them. National parks, mostly in the western part of the United States, are wonderful and great, great for vacations, great for camp outings and long excursions, but the most important park to every American is the park in their neighborhood, the park closest to them, the park that they can use on a regular basis. And we think that there is a strong mandate here for Federal support for local parks.

In our city alone, and I know you have had an opportunity to see our city, one of the things we are proud of is the abundant green space here in New Orleans, abundant green space throughout each and every neighborhood. Since I took office in 1994, we have made a strong commitment to the development of parks and recreational programs for young people and indeed have doubled the budget of the City's Recreation Department. Not only that, we are working in a number of areas to enhance old parks. We have a park known as Lincoln Beach in the eastern part of the City, which is a park which is also a brownsfield site. In the 1940s, 1950s and 1960s, it was the primary amusement park for the City's African-American population during the days of segregation. In 1964 when the walls of segregation fell, that park closed and all citizens had an opportunity to attend Pontchartrain Beach. That park has been dormant since 1964 and now we have an effort underway with both state money and local money and hopefully if this bill passes, perhaps Federal money to return that park, which is also a beach along the shores of Pontchartrain, into something that people can be so proud of.

I guess in sum, what we would ask you to do as you debate and discuss these very important pieces of legislation is to recognize that I think this year we have an opportunity to do something on an issue that many of us have talked about for many, many years, and that is to do something for the Land and Water Conservation

Fund, do something for the stateside component and do something for urban parks. This is an issue I think that creates a great opportunity for some bipartisan leadership and some bipartisan action, Mr. Tauzin and Mr. Jefferson, and I am hopeful that you will keep in mind as you deliberate the call and the request by the mayors of America and by the county officials of America for there to be a strong urban component.

And when I say urban, there is a tendency sometimes to think that urban means only New Orleans or New York or Chicago or Louisville. But urban also means Houma and urban also means DeRidder and urban also means many of the smaller communities in our nation who could have an opportunity to benefit from this.

So once again, welcome to our City, I hope you will keep these thoughts in mind. We appreciate you meeting here and we look forward to continuing dialogue with you so that we can be successful on this very important initiative.

Thank you very much.

Mr. TAUZIN. Mayor, thank you so much for coming. Let me congratulate you on a most successful jazz fest weekend for New Orleans.

Mayor MORIAL. Thank you, it was great.

Mr. TAUZIN. And for the job you do for the citizens here in New Orleans.

And also I wanted to thank you on behalf of the members in support of this legislation for coming to Washington on behalf of the Conference of Mayors and NACO, National Association of Counties in our country, for the rally we held on the steps of the Congress, along with Senator Landrieu and other members of the Senate, in support of this effort. You know, the fact you came to Washington to make the point is I hope appreciated by the citizens of this community, that you are not only fighting here for green space and a better way of life in New Orleans, but you are in Washington making a pitch too.

The Committee heard from mayors, as you know, in our first hearing on this bill.

Mayor MORIAL. Yes.

Mr. TAUZIN. And what we learned, Mayor, was that so many kids today, in many of the early parks in our country, have to wait in line just to play soccer, just to play.

Mayor MORIAL. Yes.

Mr. TAUZIN. There are just not enough spaces available today for many of the activities that would keep kids out of the kind of world of violence that we just saw again on television so horribly portrayed at Littleton, Colorado. And to give them something meaningful to do and some good way of expressing all the energy young kids have, rather than to suffer the awful consequences of some of their activities.

You and the other mayors made that case in Washington and I want to thank you again for making it here in Louisiana, and ask my colleagues if they would like to dialogue with the Mayor.

The gentleman from New Orleans, Mr. Jefferson.

Mr. JEFFERSON. Mr. Mayor, I would like to say to our Chairman Tauzin and to our Committee how proud we are in our community of our Mayor, the contributions he has made on virtually every

level of city government, and the leadership he is now showing throughout the country on this issue of getting smart at nonrenewable resources and converting them into renewable resources of conservation and recreation. And it is important that, as many children used to experience the rural areas of our country, have moved into city areas, Billy, and they need a chance to participate in the riches of our environment.

This bill does a smart thing, it not only takes care of part of the issues of the burden that front line cities and coastal areas have to deal with, but it also provides a way to address the recreational needs of our citizens and dedicates some money specifically to that purpose.

I think the mayors are telling us that this is an important need that needs to be addressed on a national level. This legislation addresses it. I know the Mayor probably—and all of them when they talk to us, want to see more addressing in this area, but I think he and they want to see a foot in the door on this that is very substantial this time around. So I think it is very creative on the part of those who are the authors of this bill. I am an original cosponsor of it, but the architecture of it probably rests more in the hands of Tauzin and Chris John and Mary Landrieu and others than in my hands. But this is a part of it that I will be watching very carefully for you, Mr. Mayor.

Mayor MORIAL. Thank you very much, Congressman Jefferson.

Mr. TAUZIN. Mr. John.

Mr. JOHN. Just a quick comment. Thank you, Mayor, for hosting this conference. We of course love your city. And thank you for becoming actively involved in H.R. 701 from a different perspective, that I think is very important to point out to the members in the audience and also the members in Congress that will be deciding on this legislation.

We have the National Association of County Officials, or in Louisiana, it would be maybe the National Association of Parish Officials, we have the National Conference of Mayors, we have the National Governors Association, the National League of Cities, the list goes on and on and on of the groups from a nationwide perspective who are all supporting this bill for a lot of reasons. Obviously Title I is about coastal impacts; Title II is the UPARR and LWCF section which has brought a lot of the major cities along. We had a rally on the steps of the Capitol that Congressman Tauzin alluded to, but the impact of that rally was incredible. Terrell Davis, the MVP of the 1998 Super Bowl, was there talking about his experiences in San Diego growing up as a boy with Pop Warner football, that if he did not have a city that cared about a football field, which was funded through the UPARR program, then he may not be here today to serve as the kind of role model that he is for some of our nation's kids.

So it is very, very important for you to be here today, Mayor; it means a lot to me, speaking for a lot of the small and large cities, that this bill is not just about the coast line, although it is important.

Mayor MORIAL. Very important.

Mr. JOHN. This legislation it is about the whole concept of conservation from coast line to open space to creating the kind of environment we want for our kids in the future.

So thank you very much for being here.

Mayor MORIAL. You know, I wanted to interject something, and maybe the state officials did, but you know, Congressman John, you mentioned the coast line. Last fall, we had a pretty turbulent hurricane season and New Orleans was threatened with an almost direct hit, 50 miles out Hurricane Georges tilted slightly to the east and therefore the eye of the storm missed us and we were on the eastern side of the eye, which meant we got wind but very little rain. I cannot tell you how much the protection of the coast line seems to be one of those natural barriers against this large population base in southeastern Louisiana from being devastated. It does not completely protect you, but all of the experts tell us it is a very important thing and it is one of those things that sometimes, I remember the first time I heard someone tell me that the coastal area would protect us from hurricanes, I said okay, you have got to explain this to me a little bit. After steering the City through hurricanes and listening to the experts talk, I can tell you I have become convinced that it is one of those very important components of protecting this entire coastal part of the country from the brunt of these very dangerous hurricanes. So I appreciate it and I want you to know that, that is also an important thing to us.

Mr. JOHN. You had a double whammy there.

Mayor MORIAL. Yeah, right.

Mr. TAUZIN. Any other members?

[No response.]

Mr. TAUZIN. Then Mayor, we thank you so much for attending and you can rest assured that Jeff is going to watch this section of the bill and not let it escape.

Mayor MORIAL. Great, thank you very much, thank all of you all.

Mr. TAUZIN. We are pleased to welcome a man who gave us a great deal of time this weekend and who I had the pleasure of taking out to the coast and showing him what a Louisiana red fish looks like and I want you all to know he out-fished the dickens out of me. That is because we gave him the best Cajun to work with, a tremendous friend of ours from down the bayou, but he comes from Washington, technically, but I want you all to know that Secretary Westphal has been a long time friend of our Louisiana delegation. He used to work for the Sunbelt Caucus in the House of Representative. That is, he worked with us as a colleague in a real sense in legislation affecting the southern states in the Sunbelt Caucus. We have come to know Dr. Westphal for a long and distinguished career in Washington in the Congress already. His elevation to the post of Assistant Secretary of the Army for the Corps of Engineers, which is a tremendous position in which he now guides the Army Corps of Engineers in its important work in the country, has been a blessing for us in Louisiana because he understands and knows the Louisiana problems, not only of the river, but of our coastal resources.

Dr. Westphal, we also want to thank you for being a keynoter at our National Wetlands Conference at Nicholas State University re-

cently, where you made the personal commitment to help us resolve this ecological disaster that again you saw in great detail this weekend.

Again, Secretary Westphal, we welcome you, we appreciate the testimony and again, for the members of the panel, I think you will also have to leave to attend to some Corps business with the Colonel in just a minute, so we will welcome your testimony and try to get you out of here as quick as we can. Dr. Westphal.

STATEMENT OF HON. JOSEPH W. WESTPHAL, ASSISTANT SECRETARY OF THE ARMY, WASHINGTON, DC

Mr. WESTPHAL. Thank you, Mr. Chairman, and thank you, distinguished members of the Committee. I am delighted to be here. I do have written testimony which I would like to submit for the record, Mr. Chairman.

Mr. TAUZIN. Without objection.

Mr. WESTPHAL. Let me also thank you and thank the Committee for allowing me to be part of your trip here, not only to learn more about the issues facing and confronting Louisiana, but how your proposed legislation attempts to address those issues, and I want to thank your Majority and Minority staff, I think they have been terrific in putting all this together.

We were also accompanied on this trip by your Louisiana Department of Natural Resources Secretary, Jack Caldwell, who did a great job in briefing us on this, NOAA was there and did a great job. I thank the Air Force too for providing assistance, and the Corps of Engineers. So we are very grateful for the opportunity to visit the coastal area of Louisiana and look directly at the stress that it faces.

You mentioned our long association, over 12 years that we have been working on wetlands. I remember we formed the first wetlands task force in the House, along with one of your colleagues, former colleague that I saw sitting here for a little bit, Jimmy Hayes, and Lindsey Thomas of Georgia and other members at the time, when most people did not know what a wetland was. We were attempting to start dealing with that issue. So I know you have had a long association with this problem in Louisiana, but also across the country as you have faced wetland issues there, and I commend you for it.

Now I am here today, Mr. Chairman, members, really to simply state the case for what I think to be a continued vigorous and comprehensive Federal and state partnership in working towards the protection and restoration of coastal marshes. And much of what I am going to say in this very brief summary of my testimony, Mr. Chairman, is simply to state for the record, I am going to repeat things probably that a lot of you already know and have heard one thousand times here in Louisiana, but this is a Committee hearing that will be published in the record and the hearing testimony will be distributed to people who do not know about these issues, and I would like for the record to state how we see some of the problems.

As you know, the losses of coastal wetlands we saw on this overflight were really incomprehensible in light of the significant risk to life and property, to the ecology of the region and to the future

of the economic, social and cultural aspects of people's lives. When you look at it from a national perspective, suffice it to say that coastal waters support about 28.3 million jobs and generate about $54 billion in goods and services every year. The coastal recreation and tourism industry is the second largest employer in the nation, serving 180 million Americans visiting the coast lines every year. And the commercial fish and shellfish industry is also very important, contributing about $45 billion to the economy every year, while recreational fishing contributes about $30 billion to the U.S. economy annually. So we are talking about a very, very important resource to the nation.

Mr. Chairman, members of the Committee, this month is also National Wetlands Month and I would like to simply review for the record some of the major points regarding wetlands that may provide I think a framework for this important hearing.

As you all know, wetlands are not only aesthetically pleasing and provide valuable fish and wildlife habitat, but they also provide valuable economic functions. Wetlands slow the flow of floodwaters, retain them and gradually release them downstream, protecting downstream landowners from flooding impacts. Wetland vegetation protects property by reducing shoreline erosion through binding loose sediments in their network of roots, dampening waves and reducing current velocity.

Near urban areas, wetlands act to recharge groundwater, providing sufficient quantities of water for public use. Wetlands intercept containments and surface water by trapping and filtering waste, sediments and nutrients before the water is sent to rivers, bays and the ocean.

The nation has lost nearly half of the wetland acreage that existed in the lower 48 states prior to European settlement. Coastal wetlands are valuable resources because they protect against flooding, to help maintain water quality and provide habitat for a myriad of fish and wildlife species, many of them threatened and endangered.

Coastal environments generate billions of dollars annually, as I mentioned earlier, through such industries as tourism, sports and commercial fisheries. And coastal wetlands also provide infrastructure protection by reducing damage from hurricanes and other storms.

Louisiana's coastal wetlands provide habitat for fisheries, water fowl, neotropical birds and furbearers; protection of oil and gas exploration and production, and waterborne commerce; amenities for recreation, tourism, flood protection; and the context for a culture unique to the world. Benefits go well beyond the local and state levels by providing positive economic impacts to the entire nation.

Approximately 40 percent of the coastal wetlands of the lower 48 states are located here in Louisiana. Over the past 50 years, Louisiana has lost an average of 40 square miles of marsh a year and this represents 80 percent of the nation's annual coastal wetlands lost for the same period. If the current rate of coastal wetland loss is not slowed, by the year 2050 an estimated additional 640,000 acres of wetlands will disappear from the Louisiana coast. As a result, the Louisiana shoreline could advance inland as much as 33

miles in some areas. That would have you, Mr. Chairman, representing fish and not people, I should like to say.

Mr. TAUZIN. Well, we let fish vote in this state.

Mr. WESTPHAL. The loss of coastal wetlands is a national problem. However, Louisiana is a showcase for this issue. Economic losses are estimated to be $4,300 an acre per year, a substantial impact to the local and national economy. Extending these economic losses over a 50-year period brings the total to an estimated $57.8 billion.

By serving as a buffer to destructive climatic forces and the episodic impact storms, Louisiana's coastal wetlands provide protection for the people who live and work there and the infrastructure that supports them, including 400 million tons of waterborne commerce a year, which is the largest in the nation, natural gas valued at $7.4 billion per year and petroleum products valued at $30 billion per year.

Concerns for wetland losses have prompted by Louisiana and Congress to act. In 1989, Louisiana established a dedicated Wetlands Trust Fund for coastal wetland restoration. Congress passed the Coastal Wetlands Planning, Protection and Restoration Act in 1990, they commonly refer to that as the Breaux Act because of the great leadership provided by Senator John Breaux as its primary sponsor. In creating the CWPPRA task force that provided oversight and develops annually a list of high priority projects to focus on marsh creation and restoration, protection and enhancement, I think this legislation has gone a long way to addressing this very, very important issue. Using Federal and state funds, total restoration project investment can exceed $40 million per year.

To date, eight priority project lists have been formulated involving 81 active projects, 30 of which have been completed. When implemented, these projects will reduce the loss of coastal wetlands by 67,726 acres over the next 20 years. In addition to CWPPRA, the Corps can use its Section 204, 206 or 1135 authorities to construct small environmental projects where Federal costs are less than $5 million. Considering the staggering rate of wetlands loss, the CWPPRA and other Corps small project authorities are also a partial solution. Projections are that only 23 percent of coastal wetlands losses will be offset by gains accomplished under these authorities. Therefore, I support reauthorization of the Breaux Act as an integral foundation to the implementation of a more comprehensive, longer-term solution to the national problem of coastal losses.

There is a critical need to find ways to address coastal losses which are comprehensive, large scale and sustainable. The recently completed Coast 2050 plan here in Louisiana could serve as a foundation for a new consensus-based integrated approach to dealing with coastal wetlands losses. Coast 2050 was developed under the authority of the Breaux Act, it was a joint planning initiative by Louisiana Wetland Conservation and Restoration Authority and the Breaux Act Task Force and the Louisiana Department of Natural Resources.

The main features of the plan involve the restoration of natural processes through water management such as river diversions and hydrologic restoration, and watershed structural repair such as restoration of barrier islands. Institutional processes such as coordi-

nating mitigation planning and restoration efforts and implementing best management practices, are part of the plan. Also part of the plan are coastwide strategies, such as dedicated dredging for wetland creation, grazing control, and terracing. Regional strategies are far too numerous to mention, but include restoring upper basin swamps, barrier island restoration, marsh creation with dredge material, river sediment and fresh water distributions, shoreline protection and delta building. Construction of the plan would cost about $14 billion.

Mr. Chairman, members of the Committee, the Army is committed to a strong ecosystem restoration and protection program. As you know, the President in his fiscal year 2000 budget submission proposed a one billion dollar lands legacy initiative. And to the extent that H.R. 701 and 798 provide dedicated funds for that purpose, we stand ready to partner with the states and the Federal agencies to restore and protect the nation's wetlands.

I did get, Mr. Chairman, a copy of Congressman Miller's statement for the record and I want to just point out one of the things that he says in there that I think is instructive, he ends his statement by saying that the similar goals of the two bills are more important than the differences between them at this point. And you have an opportunity to sit down and craft a reasonable compromise between them that assures a balanced program and a politically sellable vehicle. I think you have a lot to work with in these pieces of legislation. We stand ready to support and help those efforts, along with the President's proposal. We look to your leadership, Mr. Chairman, and that of the Committee, to help guide this process forward and we stand ready to implement whatever decisions are made by the Congress.

[The prepared statement of Mr. Westphal follows:]

STATEMENT OF DR. JOSEPH W. WESTPHAL, ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS ON COASTAL WETLANDS AND PROGRAMS, U.S. ARMY CORPS OF ENGINEERS

Mr. Chairman and Members of the Committee: Thank you for the opportunity to testify on the importance of wetlands to the Nation and Army programs which have been successful in restoring and protecting those resources. I am Joseph W. Westphal, Assistant Secretary of the Army for Civil Works.

Wetlands can generally be divided into two groups, tidal (coastal) wetlands and non-tidal (inland) wetlands. Vegetation, hydrology, and soil composition, all contribute to defining a wetland. Wetlands are not only aesthetically pleasing and provide valuable fish and wildlife habitat, they also provide valuable economic functions. Wetlands slow the flow of flood waters, retain them, and gradually release them downstream, protecting downstream landowners from flooding impacts. Wetland vegetation protects property by reducing shoreline erosion through binding loose sediments in their network of roots, dampening waves, and reducing current velocity. Near urban areas, wetlands act to recharge groundwater, providing sufficient quantities of water for public use. Wetlands intercept contaminants in surface water runoff from streets, highways, and parking lots, by trapping and filtering wastes, sediments, and nutrients before the waters enter rivers, bays, and the ocean.

The nation has lost nearly half of the wetland acreage that existed in the lower 48 States prior to European settlement. Based upon a set of important principles the Clinton Administration issued, in August 1993, over forty comprehensive wetlands reform initiatives in order to begin to reverse the historic trend of wetland loss. The initiatives act to improve responsiveness to the public, provide a streamlined permit process for minor projects, expand partnerships between Federal, State, and local agencies, avoid unnecessary requirements for the average citizen, and encourage advance planning and wetlands restoration activities. These reforms sup-

port a goal of "no net loss" of wetlands and will increase the quality and quantity of our nation's wetlands resource base in the future.

Coastal wetlands are valuable resources because they protect against flooding, help maintain water quality, and provide habitat for myriad fish and wildlife species, many of them threatened and endangered. Coastal environments are important economically because they generate billions of dollars annually through such industries as tourism and sport and commercial fisheries. Coastal wetlands also provide infrastructure protection by reducing damage from hurricanes and other storms.

Louisiana's coastal wetlands provide habitat for fisheries, waterfowl, neotropical birds and furbearers; protection for oil and gas exploration and production, and waterborne commerce; amenities for recreation, tourism, flood protection; and the context for a culture unique to the world. Benefits go well beyond the local and state levels by providing positive economic impacts to the entire nation.

Coastal wetland habitats in Louisiana serve as the foundation for a $1 billion annual seafood industry, a $200 million annual sport hunting industry, a $14 million alligator industry, valuable fur resources, wild crawfish resources, hardwood timber and commercial livestock range lands that equate to thousands of jobs critical to the economies of many coastal communities.

More than 1.1 billion pounds of fish and shellfish are harvested annually from Louisiana waters. Domestic and commercial landing statistics indicate that Louisiana provides more fishery landings than any other state in the lower 48. In fact, as much as 16 percent of the nation's fisheries harvest, including shrimp, crabs, crayfish, oysters and many finfish, comes from Louisiana's coast. Over 75 percent of Louisiana's commercially harvested fish and shellfish are dependent on wetlands.

Approximately 40 percent of the coastal wetlands of the lower 48 states are located in the State of Louisiana. This fragile environment is disappearing at an alarming rate—every 24 minutes Louisiana loses another acre of land. Over the past 50 years Louisiana has lost an average of 40 square miles of marsh a year. This represents 80 percent of the Nation's annual coastal wetland loss for the same period. While less in the 1990s, losses continue at a rate of 25 to 35 square miles per year. There are numerous causes for these losses, but the leading causes are disruption of natural hydrology (and sediment replenishment), development, agricultural and urban run-off, shoreline modification, municipal waste disposal, oil/gas operations and chemical spills. Buffeted by the forces of erosion and impacted by the disruption of natural replenishment of sediments, marsh subsidence has become a major problem. Thousands of acres of marsh are converting to less productive open water ponds, often fraught with dissolved oxygen problems. If the current rate of coastal wetland loss is not slowed, by the year 2050 an estimated additional 640,000 acres of wetlands will disappear from the Louisiana coast. As a result, the Louisiana shoreline could advance inland as much as 33 miles in some areas.

The loss of coastal wetlands is a national problem. However, Louisiana is the prime example and foremost battleground. As a result of these losses, there are significant decreases in flood protection, hurricane protection, and habitat inhabited by myriad fish and wildlife species, some threatened and endangered. Water quality is adversely impacted because wetlands are no longer available to filter contaminants and pollutants. Water supply is affected by subsidence and the advance of saline water inland which reduces groundwater recharge areas and allows saltwater intrusion into the groundwater. Adverse impacts occur to fish and wildlife species and habitats, private property, nature based-tourism, navigation, oil/gas activities, and agricultural and developed areas. In Louisiana, an estimated 70,000 people are directly engaged in wetland-dependent fisheries and in subsequent processing, wholesaling, and other activities, and licensed saltwater sports fishermen spend approximately $181 million annually on fishing and have nearly $1 billion invested in boats, gear, camps, and other equipment. Estimates indicate that economic losses are at $4,300/acre/year, a substantial impact to the local and national economy. Extending these economic losses over a 50 year period brings the total to an estimated $57.8 billion.

By serving as a buffer to destructive climatic forces and the episodic impact of storms, Louisiana's coastal wetlands provide protection for the people who live and work there and the infrastructure that supports them. More than 400 million tons of waterborne commerce (the largest in the nation) move within the coastal channels each year. Those wetlands contain ten major Federal navigation channels that provide access to port facilities across the state. Louisiana's coastal wetlands also help to protect nationally significant oil and gas facilities. An estimated 21 percent of the nation's natural gas supply, valued at $7.4 billion per year, originates from Louisiana wetlands. Additionally, petroleum products valued at $30 billion per year are produced in Louisiana coastal zone refineries.

Concerns for wetland losses have prompted both Louisiana and Congress to act. In 1989, an amendment to the Louisiana Constitution established a dedicated Wetlands Trust Fund for coastal wetlands restoration. Through this fund, up to $25 million per year in state oil and gas lease payments, royalties and severance tax collections were dedicated to wetlands restoration in coastal Louisiana. Congress passed the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) in 1990. This Act is commonly referred to as the Breaux Act because of the leadership of Senator John Breaux as the primary sponsor. It contains two components. The first component, the National Coastal Wetlands Conservation Grant Program, authorizes the USFWS to provide matching grants for the acquisition, restoration, management, or enhancement of coastal wetlands (about $6 million annually; excludes Louisiana). Under the second component, a CWPPRA Task Force (DA, DOC, DOI, EPA, USDA, Louisiana) provides oversight and develops, annually, lists of high priority projects focused on marsh creation, restoration, protection or enhancement. Under the Breaux Act approximately $35 million is provided annually for environmental restoration and protection work in the State of Louisiana. The Louisiana Wetlands Trust Fund provides the State's cost sharing contribution. Total restoration project investments can exceed $40 million per year.

To date eight priority project lists have been formulated involving 81 active projects, 30 of which have been completed. When implemented, these projects will reduce the loss of coastal wetlands by 67,726 acres over the next 20 years. The CWPPRA authority limits the size of projects that can be implemented. In addition to CWPPRA, the Corps can use its Section 204, 206, and 1135 authorities to construct small environmental projects where Federal costs are less than $5 million. However, competition for the limited funds provided by these programs is intense and there are many needs across the county. Considering the staggering rate of wetland loss, the CWPPRA and the other Corps small projects authorities are only a partial solution. Projections are that only 23 percent of coastal wetland losses will be offset by gains accomplished under these authorities.

There is a critical need to find ways to address coastal losses which are comprehensive, large scale, and sustainable. The recently completed COAST 2050 plan could serve as the foundation for a new consensus-based, integrated approach to dealing with coastal wetland losses. COAST 2050 was developed under the authority of Breaux Act. It was a joint planning initiative by the Louisiana Wetland Conservation and Restoration Authority, the Breaux Act (CWPPRA) Task Force, and the Louisiana Department of Natural Resources. The goal was to develop a strategic plan to protect and sustain the State's coastal resources for future generations in a manner that is consistent with the welfare of the people. Coastal restoration strategies were solicited from regional planning teams and their effects were evaluated. Resources and their uses were identified and prioritized. This plan should provide the basis for a coastal policy that will help coordinate strategies among the Federal and State coastal restoration programs and the State Coastal Zone Management Program.

The Coast 2050 process was intended to increase the number of implementable projects and improve performance and effectiveness of Breaux Act projects. Part of the Coast 2050 initiative involved communicating to the public the extent of the problem and the need for coastal restoration. Each parish and local community was asked to describe what they would like their region to look like in the year 2050 and to partner with the agencies to develop strategies to address those problems and needs. In addition, the goal of the Coast 2050 initiative was to develop a technically sound strategic plan to sustain coastal resources and consider coastal wetland restoration needs within the context of needs for transportation, hurricane protection and the general welfare of the population.

The main features of the plan involve the restoration of natural processes through watershed management (such as river diversions and hydrologic restoration), and watershed structural repair (such as restoration of barrier islands). Institutional processes, such as coordinating mitigation planning with restoration efforts and implementing best management practices, are part of the plan. Also part of the plan are coastwide strategies, such as dedicated dredging for wetland creation, grazing control, and terracing. Regional strategies are far too numerous to mention, but include such measures as restoring upper basin swamps, barrier island restoration, marsh creation with dredge material, river sediment and freshwater distributions, shoreline protection, and delta building. Construction of the plan would cost about $14 billion.

The Coast 2050 plan is already serving as the basis for long term solutions. The Breaux Act agencies are now using Coast 2050 strategies to formulate candidate projects for the 9th priority project list. However, the funding of projects selected on the 9th and subsequent lists will depend on the reauthorization of the Breaux

Act this year. I support that reauthorization as an integral foundation to the implementation of more comprehensive, longer-term solutions to the National problem of coastal losses. Many more projects are needed to ensure a sustainable coast that retains the functions and values of a natural ecosystem.

As you know, the President has proposed a Lands Legacy Initiative as part of the FY 2000 Budget. This initiative calls for permanent funding for many of the same purposes as the subject legislation. Specifically, the budget provides approximately $1 billion within a balanced budget in FY 2000 and a permanent funding stream of at least $1 billion/year beginning in FY 2001. The principles that underlie the Administration's Lands Legacy Initiative are provided as an attachment to this testimony.

Mr. Chairman, thank you for the opportunity to testify on the importance of wetlands to the Nation and Army programs which have been successful in restoring and protecting those resources. This concludes my statement. I will be pleased to answer any questions you or other members of the Committee may have.

Mr. TAUZIN. Mr. Westphal, we thank you for your participation and particularly for your attendance. You have engaged with these issues all weekend long, you actually attended the tours and visited the sites and we appreciate deeply your personal attention.

Secretary Westphal is accompanied today and I would like to recognize the District Engineer, Colonel William Connor, who is here along with the Chief Engineer, Mr. Robert Tisdale. We thank you all for the enormous work of the Corps of Engineers. We beat up on the Corps a lot when it comes to wetland permitting and what-have-you, but Secretary Westphal, I would like you to share with everyone a compliment you received just yesterday. You met one of the most courageous people in our state yesterday, you were kind enough to come with me to Chadway to visit my mother who just recovered from a third and again successful cancer surgery, she has had three killer cancers—breast, lung and now uterine cancer—and over the course of the last 40 years, she has beat them all. And Secretary Westphal came out to Chadway to visit her with me and I would like for you to share with the audience what my mother had to say about the Corps of Engineers.

Mr. WESTPHAL. Well, first of all, I think we were addressing her as the bionic lady, she and your daddy, who died several years ago, I think represent the great values of people who come from Louisiana and have lived and worked so hard here. She—of course the Corps has been an integral part of life in this state and she shared her thoughts about that, which I think also I hear from everybody else that I talk to in Louisiana. We are an integral part, sometimes I think we are more of a state agency than a Federal agency down here.

Mr. TAUZIN. In fact, she had just gone on a river cruise before her operation, and she had seen first-hand the great work of the Corps in maintaining the river's levee structures that protect our state, provide the transportation system on that great river and drain 33 states of our nation, and how critical the maintenance of those systems are to life here in Louisiana, and she was telling Secretary Westphal how much she personally—and I think she spoke for all of us in Louisiana—appreciated the Corps and wanted them to know that sometimes we do not say thank you enough.

And Secretary Westphal, again, we thank you for your help.

Mr. WESTPHAL. She commented on the good work done on the shoreline, on the bank protection that the Corps had done on the Mississippi.

But I do think that the Corps can be part of the solution here and throughout the nation. We have tremendous resource capability in terms of our experience and as I said to you, Mr. Chairman, and to the members of the Committee, we stand ready to do whatever Congress directs us to do.

Mr. TAUZIN. Mr. Secretary, thank you so much.

Mr. WESTPHAL. Thank you.

Mr. TAUZIN. Other members of the Committee? Mr. John.

Mr. JOHN. I was just going to be very brief because I really want to hear from the President also, Mr. Rousselle.

Mr. Secretary, you and your agency and of course Colonel Connor, will play a very important role after the passage of this piece of legislation, into implementing the bricks and mortar and the sweat, to be able to get the end result of what we all want to see and what we have been talking about.

We flew over a couple of projects that have obviously been monitored and maybe even constructed by the Corps and I want to get your comment on two in particular. Freshwater diversion projects that seem to be working, that seem to be providing some of the freshwater out of the Mississippi River and the nutrients into our marshes to let them thrive. There is a controversy over the amount of those and how much water can be taken out as it relates to commerce. Is that a real concern that we should have? Because I frankly personally think that the freshwater diversion projects out of the Mississippi have profound positive impacts, because what it does is, if you have read the Rising Tide book, what it does is actually redistribute the marshes in a natural setting that it was before the channelization of the river.

Mr. WESTPHAL. Right. It is my understanding, and I am going to try as I go back to Washington, to get better information on this, but it is my understanding that that is not a problem necessarily, unless of course the flows are very, very low when we have experienced a very serious drought, but at most times of the year the diversions can be made. But I have to tell you that it is not something that I was focused on before coming. We looked at those projects from the air and in fact, I discussed them with your State Director of Natural Resources and I am leaving here to go look at additional projects and again talk about it.

Mr. JOHN. Okay.

Mr. WESTPHAL. I think that that is an important question, and of course, as has been pointed out, the sediments that the Mississippi brings down are of course escaping into the gulf and those are the sediments that could be critical to the formation of these marshes and to the development of the marshes, that provide the barriers that we need as the Mayor pointed out, even the barriers to the city.

Mr. JOHN. Right, I think it is a two-fold problem. As the Mississippi flows down and the nutrients are carried, it provides blockages for commerce down around the mouth that you guys have to be day in and day out dredging, where we could actually divert some of that. And it would seem to me that a very calculated set of freshwater diversion projects that are relatively inexpensive in the whole mindset of recreating marsh, they are really not that

expensive when you are talking about several pipes that are laid right over the levee.

I would think that those could be monitored in times of drought and in times of flood, you could flush more water through. So I think that that is something that this Committee I know talked a lot about, that could have a profound, very quick impact on restoration and introduction or reintroduction of freshwater into some of those marshes.

Mr. WESTPHAL. Congressman John, you are right, and also, you know, we have not really talked about the water quality issues associated with some of this. And as you know, we have been experiencing over the years this hypoxia phenomenon in the gulf with the large amount of nutrients flowing in. Those nutrients, if diverted into the marsh, could actually help to grow the marsh and of course wetlands are a way of repairing that. So we see that as a double benefit. We may be able to address the hypoxia problem in the gulf that is affecting the fisheries industry in a significant way and at the same time be able to provide a positive benefit to the development of saltwater marshes.

Mr. JOHN. And finally—and I know I have probably taken too much time—we also flew over extensively not only the marsh and the estuaries, but we flew over the actual coast line and saw some of the devastation from hurricane Georges and other hurricanes. We saw deteriorating barrier islands, Breton Sound and the other type of islands, and one of the guides on our aircraft talked about one of the solutions to this, which would be an ongoing solution, would be to replenish a lot of the beaches from the natural sand that is being dumped offshore, I think he said over in Ship Shoal, which has lots and lots of sand. I mean the hopper dredges are a question. I know you use those dredges a lot, but those are the kinds of things that you will be engaged in when and if this piece of legislation passes, because you will be providing the actual resources to recreate some of the barrier islands. Mayor Morial made a great point, he said not only do I want parks, I want to save our city, and by having a healthy coast line to create that kind of barrier, I think it is important.

Mr. TAUZIN. Thank you, Mr. John. Other members of the Committee?

[No response.]

Mr. TAUZIN. Thank you very much. Let me add that, you know, there was legislation at one point during the Reagan years, Senator Breaux and I pursued to require the Corps to take the dredge material that was being dumped, dredged and put on barges and just dumped overboard into the—off the continental shelf at the mouth of the river, to take it and instead barge it over to where it might be useful for barrier island restoration. And unfortunately, at that time, there was resistance in that effort and in fact, the administration threatened to veto the budget bill unless that language was removed. Perhaps we ought to revisit those considerations, as Mr. John has said, and think about it in terms now of how that material which is being wasted off the coast, off the shelf, in fact causing—maybe causing some of that hypoxia—might be more usefully distributed in the wetland areas.

We are going to hear from one of the Parish Presidents in just a second, former State Legislator and now Parish President of Plaquemines Parish, about the real and important benefits of some of the siphons in his own parish and the building up land along the Mississippi River. But we are also going to learn about the fact that if we build these diversion projects, Chris, we also have to make sure that we have levee systems built and approved by the Corps and EPA and Fish & Wildlife, that will also protect our people from flooding, from the additional water at the siphons and all this is going to produce in the wetland area. So it is a multi-headed dragon that we have got to tend to all the elements at one time.

Secretary Westphal, we thank you again.

Mr. WESTPHAL. Thank you, Mr. Chairman.

Mr. TAUZIN. Again, on a personal note, let me say how much we appreciate having someone who cares enough about these problems in this department to spend the time you spent with us, Joe. Your secretary is going to fuss at me for calling you Joe, but I consider you my friend and Louisiana now considers you her friend. Thank you very much.

Mr. WESTPHAL. Thank you, Mr. Chairman, thank you, members.

Mr. TAUZIN. I know that you and Colonel Connor have to attend to your business and we would be pleased to excuse you at this time. Thank you again, Colonel Connor, for all you do.

Let me now introduce the very patient President of Plaquemines Parish in Belle Chasse, Louisiana. Benny Rousselle is a former of the Louisiana State Legislature and so has seen these problems from the state perspective and now from a parish perspective, as Parish President. Benny, we appreciate your testimony, sir, thank you for being so patient.

STATEMENT OF BENNY ROUSSELLE, PRESIDENT, PLAQUEMINES PARISH, BELLE CHASSE, LOUISIANA

Mr. ROUSSELLE. Thank you, Mr. Chairman, members of the Committee. I have submitted written testimony as well.

Today, I probably will give you testimony on more of a local arena than you have seen earlier today.

Plaquemines Parish is the southernmost parish in Louisiana. It extends southeastward for 90 miles from New Orleans into deeper waters of the Gulf of Mexico. The southern half of the parish is a peninsula surrounded by waters of the Gulf of Mexico and bisected by the Mississippi River. The parish is a product of the Mississippi River, having been created through sediment deposition over a 4,500 year period. Natural levees comprise about 8 percent of the parish, while drained swamp and marshland adjacent to the parish cover another 6 percent, for a total of approximately 60,000 acres. Barrier beaches and spoil disposal areas at South Pass and Southwest Pass comprise another 6 percent of the parish.

The vast majority of Plaquemines consists of low lying wetlands that are being lost at a rate of nine square miles per year, 384 square miles since 1956. This land loss is the result of a combination of both natural, but primarily manmade factors, including construction of pipeline canals and rig access canals, dredging of navigational channels, leveeing of the Mississippi River, which you have heard about, saltwater intrusion into freshwater habitat, ex-

traction of water and hydrocarbons, a decrease in sediment being carried by the river, subsidence, a rise in sea level, wave erosion and faulting.

Plaquemines Parish has been a staging platform and support base for the outer continental shelf mineral exploration and production since the 1950s. Land use activities and facilities directly related to OCS activities include ports, shipyards, supply/service bases, refineries, pipe coating/storage yards, gas processing plants, heliports, deep-draft channels, and pipelines. Over 40 OCS pipelines enter Plaquemines Parish, of which many traverse the length of the parish to convey hydrocarbons to storage areas or processing plants and refineries in other parts of the state and nation.

Approximately 100 companies conduct OCS mineral related operations from the Port of Venice and other ports and dock facilities located within the parish. Four refineries that process oil, gas and sulfur extracted from the OCS are located in the parish. Plaquemines Parish also provides landfall from the gulf and linear corridors for OCS product pipelines. At least 20 interstate pipeline companies have pipeline facilities in the parish.

The achieved success in OCS production has not come without a price. It has come at the expense of numerous impacts on the natural and human environment to Plaquemines Parish. As a result of OCS activities, valuable wetlands have been lost or degraded through primary and secondary impacts associated with the installation and maintenance of OCS pipelines and booster stations, processing, storage and staging facilities and associated development.

Canals constructed for OCS pipelines and navigation removed wetlands directly at the time of construction, and secondarily through boat wake and wind generation erosion of canal banks. Incidental oil spills and release of non-hazardous oilfield wastes can degrade or destroy wetlands and submerge aquatic habitat. This has had traumatic effects on the commercial fishing industries, including oysters, shrimp and finfish.

Since 1956, Plaquemines Parish has lost approximately 246,000 acres or 284 square miles of its wetlands and marshes. The current disappearance of wetlands and marshes is 5,717 acres, or nine square miles per year. Much of this loss is directly attributable to OCS-related activities. The loss of these wetlands adjacent to hurricane protection levees poses a threat to populations from approaching storms and tidal surges. Wetlands and marshes serve as a first wave of defense to absorb and reduce the surge impact upon protection levees. With their disappearance, Plaquemines will have to increase the height of these levees to ensure the safety of its people.

Water quality has been and continues to be degraded through illegal discharges from marine vessels, point source discharges from processing storage and staging facilities, oil spills and release of non-hazardous oilfield waste. Loss of wetlands flanking the natural levees and developed sites also contribute to the degradation of water quality because the vegetation is no longer present to filter potential pollutants running off of upland and developed sites.

The human environment of Plaquemines Parish, as related to infrastructure, services, socio-economics and general way of life, also has experienced impacts from OCS activities and facilities. For ex-

ample, highways which are primarily used by local population and serve as hurricane emergency evacuation routes have had to be upgraded and require more frequent maintenance as a result of increased heavy truck traffic associated with the OCS-related activities. The higher truck volumes have resulted in traffic congestion and public safety concerns with which the parish must contend. Sustaining the nationally strategic OCS-related development and support bases in Plaquemines requires that the parish expend considerable funds on equipment, materials and personnel to maintain extensive flood protection levees and drainage districts along both sides of the Mississippi River. Support of direct and indirect OCS-related facilities and businesses has placed a high demand on the parish for potable water, public utilities, solid waste disposal sites and non-hazardous oilfield waste disposal.

Increases in local and transient populations associated with OCS activities have required the parish to provide additional services in the areas of emergency response, police, schools, education, recreational areas and activities, hospitals, general medical treatment and social services. Furthermore, the parish has had to maintain a high level of emergency response readiness to evacuate large numbers of OCS personnel, equipment and vehicles via the protected Mississippi River prior to hurricane landfalls. During cyclical downturns in the OCS economy, the parish must still maintain the existing services and infrastructure for the local population as well as provide additional social services. However, there is hope for Plaquemines' future from potential benefits of the legislation that you are now considering.

And how the parish will make use of the funds generated by such legislation, I can tell you that Plaquemines Parish will be challenged with goals to combat continuing environmental impacts from the OCS activities. The potential funding available as a result of passage of one or both of the proposed bills is crucial to the parish's ability to achieve these goals. Under the Conservation and Reinvestment Act of 1999, funds would be allocated as follows: Title I, Coastal Restoration; Title II, Land Acquisition and Recreation, and Title III, Wildlife Conservation and Education, including Wetland Habitat, Restoration and Acquisition. In Louisiana, Title I funds could be also allocated for mitigating on-shore impacts of OCS activities, such as the infrastructure and public services. Louisiana's recently released report Coast 2050, which you have heard about today, toward a sustainable coast of Louisiana identified a number of regional ecosystem strategies for conserving and restoring wetlands in coastal Louisiana. Also recently, Plaquemines Parish formed a Coastal Zone Management Program in conjunction with the Louisiana Department of Natural Resources Coastal Management Division and operates in accordance with the CZM Act created by Congress.

Within Plaquemines Parish, strategies have been developed which include managing outfall of existing diversions at Canarvine and Larose and West Pointe-a-la-Hache, which you probably saw in your flight; constructing more effective small diversions east and west of Empire; continue building and maintaining delta splays along the Mississippi River, which the Corps is instrumental in their work; using existing locks to divert Mississippi River water

at Empire; constructing a sediment trap in the Mississippi River south of Venice and double handle dredged material to create new marsh in the Birdsfoot Delta; constructing delta-building diversions in the areas of Myrtle Grove/Naomi, Bastion Bay, Benny's Bay, American Bay, Quarantine Bay. Another one, preventing loss of bedload off the continental shelf by relocating the Mississippi River navigational channel south of Venice. Constructing wave absorbers at the head of bays such as Lake Washington/Grand Ecaille area and upper Breton Sound basin; constructing reef zones across bays to enhance estuarine fisheries habitat; extending and maintaining barrier shoreline from Sandy Point to Southwest Pass.

Utilizing OCS funds would enable Plaquemines Parish to implement or assist the state in implementing some wetland conservation and restoration strategies sooner. This would be of direct and immediate benefit to the parish. In addition, funding could be used to address economic issues related to natural resource harvesting, especially oyster growing and leased areas that would be impacted by the delta-building and freshwater diversion strategies for creating or conserving wetlands.

Funding directed toward restoration and maintenance of wetlands and water quality would benefit economic activities related to the harvesting of renewable resources such as commercial fisheries and trapping. This funding also would sustain water-based recreational opportunities including sport fishing, crabbing, boating, sightseeing, birdwatching and expand new business and educational opportunities related to eco-tourism.

That concludes my formal testimony and I would like to thank all of you for coming to Louisiana and especially Congressman Tauzin for hosting us as the Chairman today, and I would also like to thank Senators Landrieu and Breaux for their help in moving this issue forward. And I would be glad to try to answer any questions that you may have.

[The prepared statement of Mr. Rousselle follows:]

PRESENTATION IN SUPPORT OF

CONSERVATION AND REINVESTMENT ACT OF 1999

(H.R. 701)

AND

PERMANENT PROTECTION FOR AMERICA'S RESOURCES 2000 ACT

(H.R. 798)

by

Benny Rousselle

Parish President

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Legislative Field Hearing
Louisiana State Supreme Court
New Orleans, Louisiana

May 3, 1999

PRESENTATION IN SUPPORT OF

CONSERVATION AND REINVESTMENT ACT OF 1999 (H.R. 701)
AND
PERMANENT PROTECTION FOR AMERICA'S RESOURCES 2000 ACT (H.R. 798)

(PLAQUEMINES PARISH: PLATFORM FOR OCS ACTIVITIES)

Introduction

Plaquemines Parish is the southernmost parish in Louisiana. It extends southeastward for 90 miles from New Orleans into the deeper waters of the Gulf of Mexico and is bisected by the Mississippi River. The southern two-thirds of the parish is a peninsula surrounded by waters of the Gulf of Mexico. The parish is a product of the Mississippi River, having been created through sediment deposition during two episodes of delta building: the St. Bernard delta beginning around 4500 years ago and the Modern Plaquemines delta which began around 950 years ago. Natural levees comprise about eight percent of the parish, while drained swamp and marshland adjacent to the these uplands cover another six percent of the parish (U. S. Dept. of Agri.-Natural Resource Conservation Service 1999) for a total area of approximately 60,000 acres (van Beek et al. 1986.) Barrier beaches and spoil disposal areas at South Pass and Southwest Pass comprise approximately six percent of the parish. The vast majority of the parish (over 80 percent) consists of low-lying wetlands (van Beek et al. 1986).

Between 1956 and 1990, approximately 194,400 acres (304 square miles) of Plaquemines Parish disappeared at an average rate of 5,717 acres per year (8.9 square miles per year) (National Wetlands Resources Center 1999). This land loss is the result of a combination of numerous natural and man-made factors including: leveeing of the Mississippi River, a decrease in sediment being carried by the river, subsidence, sea level rise, construction of pipeline canals and rig access canals, dredging of navigation channels, saltwater intrusion into freshwater habitats, extraction of water and hydrocarbons, wave erosion, and faulting.

Plaquemines Parish has been a staging platform and support base for Outer Continental Shelf (OCS) mineral exploration and production since the 1950s. Land use activities and facilities directly related to OCS activities include: ports, shipyards, supply/service bases, refineries, pipe coating/storage yards, gas processing plants, heliports, deep-draft channels, and pipeline corridors.

OCS Related Impacts to Plaquemines Parish

The Port of Venice is geographically positioned to strategically stage operations to the U. S. Department of the Interior, Minerals Management Service's (MMS) Central and Eastern Planning Areas of the OCS. Approximately 100 companies conduct OCS mineral related operations from the Port of Venice, other ports, and dock facilities located within the parish (Plaquemines Port Authority 1999). Four refineries that process oil, gas, and sulfur extracted from the OCS are located in the parish. Plaquemines Parish also provides landfall for over 40 OCS pipelines from the gulf and linear corridors for numerous OCS product pipelines that pass

through the parish transporting hydrocarbons to storage areas and processing/refining plants in other parts of the state and the United States (Wicker et al. 1986). At least 20 interstate pipeline companies have pipeline facilities in the parish.

The operation of OCS related facilities and activities in Plaquemines Parish has had numerous impacts on the natural and human environment. For example, wetlands have been lost or degraded through both primary and secondary impacts associated with installation and maintenance of OCS pipelines, booster stations, and metering stations; processing, storage and staging facilities; and associated development. Canals constructed for OCS pipelines and navigation remove wetlands directly at the time of construction and secondarily through boat wake and wind generated erosion of canal banks. Incidental oil spills and release of non-hazardous oilfield waste can degrade or destroy wetlands and submerged aquatic habitats, including oyster reefs. Water quality can be degraded through point source discharges from processing, storage, and staging facilities; oil spills; release of non-hazardous oilfield waste; and through illegal discharges from marine vessels. Loss of wetlands flanking the natural levees and developed sites also contributes to the degradation of water quality because the vegetation is no longer present to filter potential pollutants running off of upland and developed sites.

The human environment of Plaquemines Parish, as related to infrastructure, services, socio-economics, and general way of life, also has experienced impacts from OCS activities and facilities. For example, highways have had to be upgraded and require more frequent maintenance as a result of the heavy truck traffic and generally higher traffic volumes associated with deliveries of OCS related materials and supplies. The higher traffic volumes have resulted in traffic congestion and public safety concerns with which the parish must contend. Sustaining the nationally strategic OCS related development and support bases in Plaquemines Parish requires that considerable funds be expended on equipment, materials, and personnel to maintain extensive flood protection levees and drainage districts along both sides of the Mississippi River. Support of direct and indirect OCS related facilities and businesses has placed high demand on the parish for potable water, public utilities, solid waste disposal sites, and non-hazardous oilfield waste disposal sites.

Increases in local and transient populations associated with OCS activities have required the parish to provide additional services in the areas of emergency response, police, schools, education, recreational areas and activities, hospitals, general medical treatment and social services. Furthermore, the parish has had to maintain a high level of emergency response readiness to evacuate large numbers of OCS personnel, equipment, and vehicles via the protected Mississippi River corridor prior to hurricane and tropical storm landfalls. During cyclic downturns in the OCS economy, the parish must still maintain existing services and infrastructure as well as provide needed social services.

Future OCS Activities in the Gulf of Mexico

While the oilfield industry is marked with cyclical economic ups and downs, the stage is set for a new era of oil and gas exploration and development in the Gulf of Mexico, much of which will be staged out of Plaquemines Parish. A strong economy, technological advancements, multiple deepwater discoveries, passage of the Deep Water Royalty Relief Act

(DRRA) (Public Law 104-58, Title III), and the availability through the MMS's active leasing program of new and viable prospects have resulted in the revival of mineral exploration and development in the Gulf of Mexico (Cranswick and Regg 1997). Innovative deepwater drilling and development technologies provide the means to operate in water depths that are not economically viable for conventional platforms used in shallower OCS waters (Cranswick and Regg 1997). In addition, advanced geophysical exploration technologies are rekindling interests in developing existing, shallow water prospects by providing a means of finding "new" mineral reserves in previously surveyed areas. For instance, 3-D seismic surveys are presently being conducted on speculation with data compiled and marketed to potential buyers (Louton, per. comm. 1997). Another advancement, the development of 4-D seismic technology, provides a means of overlaying existing 2-D and 3-D seismic data for estimating the depletion of reservoirs (Quilio, per. comm. 1997).

The number of active mineral leases in the Gulf of Mexico increased from approximately 5,000 in 1995, to 6,177 in January, 1997; and were projected to exceed 8,300 in 1998, a 40 percent increase (Cranswick and Regg 1997). The MMS conducted two record-breaking lease sales in 1997 that consisted of a total of 1,800 tracts at a price of $1.5 billion (Gresham 1997). Lease Sale 169, attracted $784,120,709 in high bids in 1998 (MMS 1998). In March of 1999, the seventh lease conducted under DRRA guidelines, Lease Sale 172, resulted in high bids from 67 companies totaling $171,804,696 (MMS 1999a). In addition, the MMS announced the notice of intent to prepare an Environmental Impact Statement regarding Eastern Gulf Sale 181 that will be tentatively bid in December, 2001 (MMS 1999c).

By April 19, 1999, there were 2,984 active leases in waters exceeding 1,000 feet in depth in the Gulf of Mexico, 1,408 approved applications to drill, but only 22 producing platforms (MMS 1999b and Melancon and Baud 1999). Mr. Peter J. Robertson, President of Chevron U.S.A. Production, described the keen industry interests in deepwater gulf exploration (*The Advocate* 1997):

> The Gulf of Mexico's (deepwater) is now considered one of the world's great frontiers and is luring companies from around the globe. Not only has technology reduced the cost of getting at these deep reserves, but the reservoirs themselves look much better than we imagined.

Accordingly, Chevron's number of deepwater leases increased from 16 in 1990 to 362 by November, 1997 (*The Advocate* 1997). Mr. Robertson states that deepwater development and production will increase 42 percent to 1.7 billion barrels over the next ten years (*The Advocate* 1997). By the year 2003, deepwater wells will account for 55 to 63 percent of the daily oil production and 24 to 29 percent of the daily gas production in the entire gulf (Melancon and Baud 1999).

The Gulf of Mexico's Outer Continental Shelf (OCS) production from leases granted by the MMS should increase from 945 Million Barrels Oil/Day (MBOD) in 1995 to a range from 1,537 to 1,910 MBOD by the end of the year 2,001 (Melancon and Baud 1999). During this six-year period, the potential exists for an increase in production of over 100 percent. In its report, *Global Offshore Oil Prospects to 2000*, the International Energy Agency, Paris, France,

projects that offshore production activity "...will not only be sustained, but will accelerate through the year 2000" (*Offshore* 1997).

According to Louisiana State University economist, Dr. Loren C. Scott, the Gulf of Mexico will remain active for one primary reason - the oil companies' low cost of producing oil (Gresham 1997). For instance, Shell Oil's deepwater Auger platform produced oil at a cost of $13.35 per barrel in 1994. Ursa, Shell's latest deepwater platform, is projected to cost $6.80 per barrel at the end of 1999 (Gresham 1997). Ocean Energy's cost savings are similar with costs of $10.36 per barrel in 1994, dropping to $7.10 per barrel in 1997 (Gresham 1997). Economic predictions of oil costs dropping from the current $20 per barrel to $16 and $17 per barrel will still allow the operators to remain profitable (Gresham 1997).

The MMS has a preliminary impression that unlike the last oil and gas boom, much of the activity will be more centralized (Louton, per. comm. 1997). Deepwater operators will not use a port if they cannot get loaded and turned around quickly (Louton, per. comm. 1997). Servicing deepwater operations is more demanding (e.g., deeper draft requirements, heavier cargoes, larger crane requirements, etc.) and service companies are tending to locate in concentrated areas of activity (Louton, per. comm. 1997).

The deepwater prospects have spawned a new generation of offshore service boats, requiring deeper drafts and the capability to carry heavier loads for further distances (Louton, per. comm. 1997). These vessels require deepwater port facilities (Louton, per. comm. 1997). According to Mr. Joe Agular of Johnson Rice & Co., New Orleans, there is a clear shortage of rigs and boats for the gulf's deepwater. He explains, "(t)his has been pushed along even further by continued increases in (offshore) leasing activity. Big Oil and major independents (alike) are making commitments to the deepwater markets"(Hall 1997).

The MMS presently has no definition for the term 'deepwater port' (Louton, per. comm. 1997), but defines 'deepwater prospects' as mineral development areas where water depths exceed 1,000 feet (Cranswick and Regg 1997). The MMS is planning to determine which ports can be utilized by the large supply boats that presently are being constructed at shipyards throughout south Louisiana to supply deepwater prospects (Louton, per. comm. 1997). These vessels may require port channel depths exceeding 20 feet (Louton, per. comm. 1997). Water depth and hull draft will not be the only criteria in determining if a port can be classified as deepwater (Louton, per. comm. 1997). Port facilities must have the capability to (absorb intermodal deliveries and) efficiently load the boats (Louton, per. comm. 1997).

Due to the overlapping of goods and services needed for deepwater and shallow shelf exploration and production activities and the number of companies involved in both, the MMS has had difficulty clearly discerning and differentiating the two in ongoing studies (Louton, per. comm. 1997).

The interest to drill new wells is not limited to deepwater leases (Louton, per. comm. 1997). Tremendous advances have also been made in exploration and production in shallow continental shelf areas as a result of advances in 3-D seismic and new and safer horizontal and multiple drilling technologies (Louton, per. comm. 1997). Three-dimensional seismic

technology is renewing interests in fields long thought "played out" (Louton, per. comm. 1997). The 3-D surveys are also providing geologists with improved data for finding new discoveries in fault lenses which in the past were too difficult to drill (Louton, per. comm. 1997). According to Ivanovich (1997):

> For years, producers' efforts to find oil and gas beneath the numerous salt formations that litter the gulf seabed were thwarted because the structures distorted the seismic data. Three-dimensional seismic and graphic imaging techniques developed in the last few years are allowing producers to locate shallow prospects missed by earlier technology.

Discoveries and projections of new oil and gas reserves in the Gulf of Mexico continue. For instance, the maritime boundary agreement between the U. S. and Mexico reached in 1978, and ratified by the U.S. Senate in 1997, has resulted in additional available deepwater prospects. Drilling in the 10,000-foot water depths of two areas, known as the "Gaps" or "Doughnut Holes", located along the new international boundary in the middle of the gulf was considered unthinkable twenty years ago, but technological advances since that time have placed potentially large mineral reserves within reach (*The Advocate* 1997b).

Utilization of Proposed OCS Funding

Plaquemines Parish will be challenged to combat environmental and socio-economic impacts from OCS activities. The potential funding available as a result of passage of one or both of the proposed bills (e.g., *Conservation and Reinvestment Act of 1999* and *Permanent Protection for America's Resources 2000 Act*) is crucial to the Parish's ability to achieve these goals. Under the *Conservation and Reinvestment Act of 1999*, funds would be allocated as follows: Title I – coastal restoration, Title II – land acquisition and recreation, and Title III – wildlife conservation and education, including wetland habitat restoration and acquisition. In Louisiana, Title I funds could also be allocated for mitigating onshore impacts of OCS activities, such as infrastructure and public services.

Louisiana's recently released report *Coast 2050: Toward a Sustainable Coastal Louisiana* (Louisiana Coastal Wetlands Conservation and Restoration Task Force and Wetlands Conservation and Restoration Authority 1998), identified a number of regional ecosystem strategies for conserving and restoring wetlands in coastal Louisiana. Within Plaquemines Parish these strategies include:

- Use existing locks to divert Mississippi River water at Empire
- Manage outfall of existing diversions at Naomi and West Pointe-a-la Hache
- Continue building and maintaining delta splays along the Mississippi River
- Construct more effective small diversions east and west of Empire
- Construct sediment trap in the Mississippi River south of Venice and double handle dredged material to create new marsh in the Birdsfoot Delta
- Construct a delta-building diversions in the
  - Myrtle Grove/Naomi area
  - Bastion Bay area

Benny's Bay area between Main Pass and Baptiste Collette Bayou
American Bay area
Quarantine Bay area

Prevent loss of bedload off the Continental Shelf by relocating the Mississippi River Navigation Channel south of Venice

Construct wave absorbers at the heads of bays such as the Lake Washington/Grand Ecaille area and upper Breton Sound Basin

Construct reef zones across bays to enhance estuarine fisheries habitat

Extend and maintain barrier shoreline from Sandy Point to Southwest Pass

The availability of OCS funds would facilitate implementation of the already identified wetland conservation and restoration strategies sooner, thus, directly and immediately benefiting Plaquemines Parish. In addition, funding could be used to address economic issues related to natural resource harvesting, especially oyster growing and leased areas, that would be impacted by the delta-building and freshwater diversion strategies for creating or conserving wetlands.

Funding directed toward restoration and maintenance of wetlands and water quality would benefit and enhance the propagation and sustainability of marine organisms including finfish, shellfish, and microorganisms in the estuarine food web. Economic activities related to the harvesting of renewable resources (i.e., commercial fisheries and trapping) would also be enhanced and perpetuated. This funding also would sustain water-based recreational opportunities (i.e., sports fishing, crabbing, boating, and sightseeing) and expand new business and educational opportunities related to eco-tourism.

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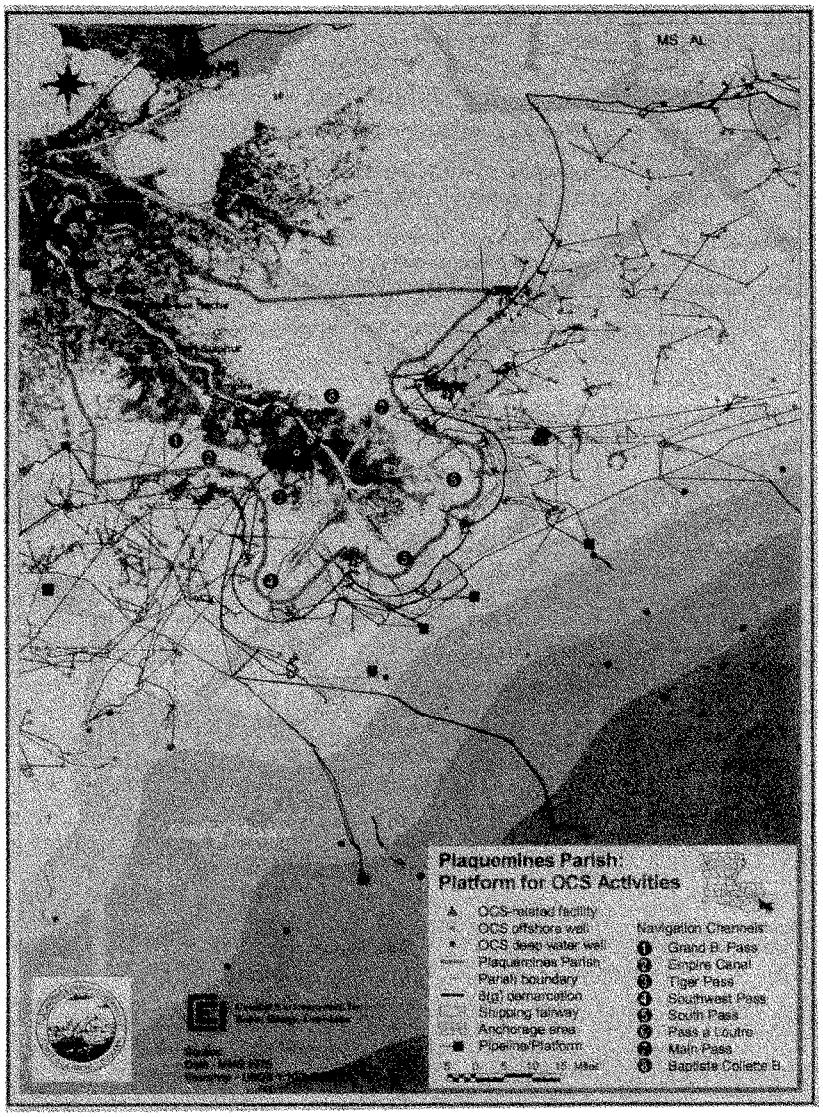
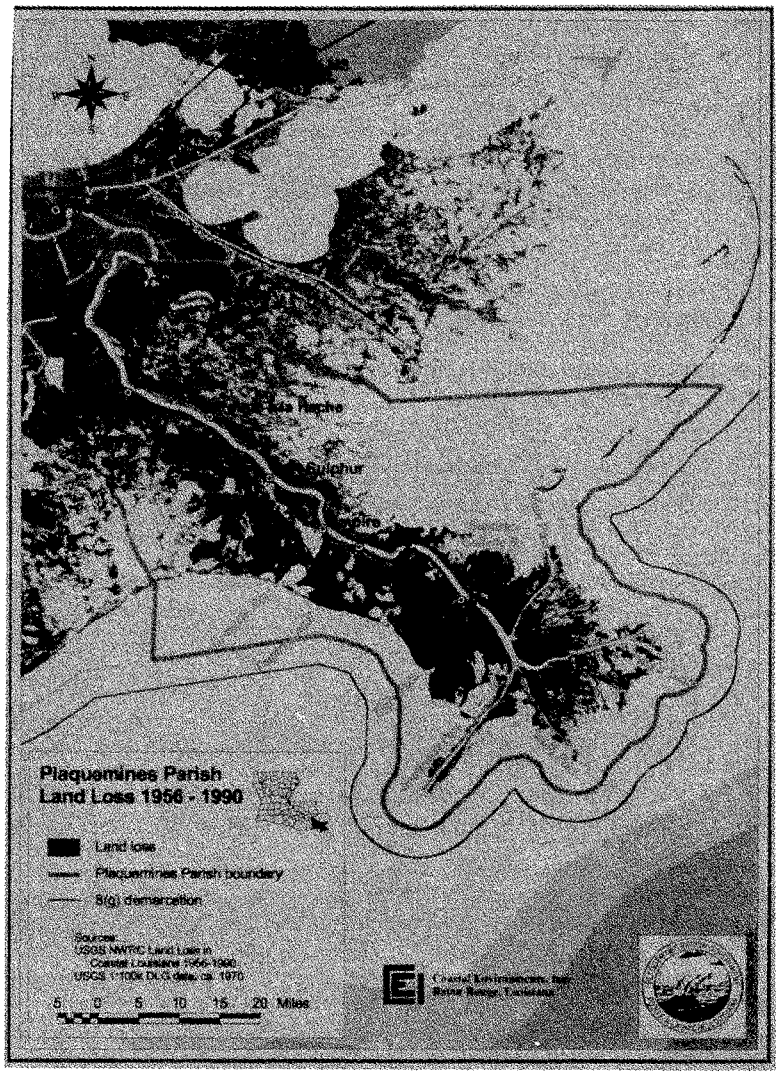

MS AL
Plaquemines Parish:
Platform for OCS Activities
OCS-related facility
OCS offshore well
OCS deep water well
Plaquemines Parish
Parish boundary
8(g) demarcation
Shipping fairway
Anchorage area
Pipeline/Platform
Navigation Channels
1 Grand B. Pass
2 Empire Canal
3 Tiger Pass
4 Southwest Pass
5 South Pass
6 Pass a Loutre
7 Main Pass
8 Baptiste Collette B.


Plaquemines Parish
Land Loss 1956 - 1990
Land loss
Plaquemines Parish boundary
8(g) demarcation
Sources:
USGS NWRC Land Loss in
Coastal Louisiana 1956-1990
USGS 1:100k DLG data, ca. 1970
5 0 5 10 15 20 Miles

Mr. TAUZIN. Thank you so much, Benny.

Let me perhaps focus on—going back to Chris John's point that he talked about in terms of the siphons and reallocated water from the Mississippi River. If we looked a lot on the west side of the Mississippi River in terms of our Committee's field trip, on the east side of the river, of course, if Junior Rodrey was here, he would applaud your call for relocating the MRGO. The MRGO, members of the panel, is the Mississippi River Gulf Outlet, an artificially created channel for deepwater shipments into the Port of New Orleans, that instead of going up the river, long and tenuous 90 miles, ships were able to come up this very straight but artificial channel. But guess what? It introduced more saltwater into the marshes and even into Lake Borgne and Pontchartrain and caused great problems, and Junior would applaud your comments.

So the problems of Plaquemines and St. Bernard, the two great communities below New Orleans, which are totally coastal communities except for this urban interface, you have discussed with us today. Tell us how well those siphons are working, how well does a water diversion project work and then what problems does it cause? You mentioned fishermen, oystermen. There is a conflict, is there not? There are real problems with making these things effective.

Mr. ROUSSELLE. Yes, there is a conflict, as you said, but I think that we have come a long way in the last several years about trying to mesh the oyster and fishing industries with the concept that the freshwater diversions are a necessary part of restoring our coast line. They basically introduce freshwater to retard the saltwater intrusion, to protect the grasses. But what we really need, we need coastal restoration of barrier islands and some really heavy duty projects.

Mr. TAUZIN. Why is that so important, Benny?

Mr. ROUSSELLE. Well, because the tidal flow now, as it used to come through small bayous that were there when you had coastal barrier islands, was not as great. Now you have nothing to protect the inflow of the tide and it just washes the marsh out at a critical rate, where before it would be—it would rise to bayous and natural bays at a lower rate and it would not come in and do as much damage as it does now with the wave action.

Mr. TAUZIN. I remember a few years ago when the saltwater intrusion rates were so high that this great city was threatened with saltwater in its water system; is that not right?

Mr. ROUSSELLE. That is true. We also have projects where we are now pumping water from the Belle Chasse area 70 miles to the southern end of the parish because of saltwater intrusion into the river, but on the outside of the levee districts, as you heard the Mayor say that he was concerned about his city, but we are concerned because we are the buffer that he was referring to about protecting his city. So naturally we are in the first line of defense and we are as concerned as he is, but a little more, since we are there.

Mr. TAUZIN. And I guess you have got to come through the city to get out.

Mr. ROUSSELLE. That is another situation. But we feel that the legislation that is being proposed will go a long way in trying to

re-establish a coast line and we hope to work with the Corps of Engineers and that the Corps of Engineers moves in the direction of using that beneficial dredge material from the river to re-establish coast line. And you mentioned the freshwater diversion structures that are in operation now. As a local government, before I sent to the legislature, I was a council member, and we passed a bond issue and we built those with local funds to try to do something about the coastal restoration and the state came in and helped fund those after we had them on the drawing board.

Mr. TAUZIN. This was a local initiative to start out with.

Mr. ROUSSELLE. It was actually a bond issue that we made available to the public and they voted on it because they realized the significant importance of the marshes that surround the levees. And even as we were talking about the fishermen and how we are going to compromise by relocating the fishermen, they realize that if we do not do something, they will be fishing oysters on the back levee, which will give them a limited amount of space and eventually put them out of business.

Mr. TAUZIN. Benny, it would be helpful for our Committee members to see Plaquemines Parish. Would you point it out on that map there?

Mr. ROUSSELLE. This area is Plaquemines, I guess that is part that washed away, but the rest of it that you see is there. It is something that we live with. I was interested in the comments that were made earlier about making the oil companies fill the canals and so forth. They at one time bulkheaded the canals and then when erosion washed away from the bulkheads, they were afraid of liability from boaters, so they pulled the plugs, which were the bulkheads and they just continued to erode. And if we were go back after them as Congressman Tauzin said, I do not know how many of them are left, but we do not have that type of time.

Mr. TAUZIN. We have another problem too, do we not? I mean, I had a long discussion with Secretary Westphal about it, but the wetland laws of America are built backwards when it comes to coastal wetlands. The wetland laws of America are designed to stop you from filling in potholes and hardwood bottoms and valuable wetlands in America by filling them in and destroying them. In our coastal wetland situation, we very often have to fill in, we have to put a barrier up to stop the saltwater or an interface to allow the fresh and saltwater to exchange. And we have got enormous problems permitting, even if we demanded somebody to go do it, it would take years and years for them to get permits to do that kind of work, would it not, if they had to do it as a private company?

Mr. ROUSSELLE. Yes, I believe that is correct.

Mr. TAUZIN. And so that getting those things done in the face of all those problems may be much more efficient done by government agencies through bond issues and state funding and Federal assistance, in the long run.

Benny, one final thought. Our critics in this bill complain that we share money directly with you, with the counties, the parishes and boroughs of the county, and they claim that that is going to create an artificial incentive for more offshore development when in many parts of America, as you know, they object to offshore development.

Could you answer that criticism? Why is it important that the money be shared directly with you in some of these cases?

Mr. ROUSSELLE. I believe because the local government is at the front line of this fight. If you look at what we are faced with, we are out there providing infrastructure for our local citizens who bare the impact of all of the OCS operations off of our coast. The criticism of encouraging or giving incentives for more drilling, I think we are past that stage, I think that the local governments now are trying to just recoup what was lost over many years.

Mr. TAUZIN. Other members of the panel, questions of Mr. Rousselle?

[No response.]

Mr. TAUZIN. Benny, thanks again for your patience and I deeply appreciate it. Know again our commitment to make sure that we hold onto those positions that would give you a vital play in the solution to these problems.

Mr. ROUSSELLE. Thank you for the opportunity to testify.

Mr. TAUZIN. Thank you, sir.

We are now going to call our second panel which will consist of folks in Louisiana who are on the front lines, as Benny Rousselle pointed out trying to solve these problems. The Honorable David Camardelle, Mayor of the grandest island in Louisiana, Grand Isle; Barry Kohl, the Director and Past President of Louisiana Audubon Council; Ted Falgout, Executive Director of Greater Lafourche Port Commission; Alan Wentz, Group Manager for Conservation, Ducks Unlimited; Cynthia Sarthou, Executive Director of Gulf Restoration Network and Mark Davis, Executive Director of Coalition to Restore Coastal Louisiana, domiciled in Baton Rouge, Louisiana.

These, ladies and gentlemen, are folks who have been on the front lines of this battle and can tell us the good news and the bad news stories. We will start with the Mayor of Grand Isle, Mr. Camardelle.

STATEMENT OF HON. DAVID CAMARDELLE, MAYOR OF GRAND ISLE, GRAND ISLE, LOUISIANA

Mayor CAMARDELLE. My name is David Camardelle and I am the Mayor of Grand Isle. It is truly an honor to come before you today to offer some insight into the unique and special part of south Louisiana that I have lived in all my life and now have the privilege to represent. I am also honored for the opportunity to provide my testimony on H.R. 701, the Conservation and Reinvestment Act of 1999.

Before I begin, please allow me a brief moment to do one of my favorite things in life and that is to talk about my good friend, Billy Tauzin. Considering that I may never have an opportunity or an audience like this again, I just cannot miss the chance to talk about him. Now the way that we talk about someone down here and they way they do in Washington is very different.

You see, I have known Billy for practically all my life. I know his family and he knows mine. In fact, we are a family some way or another. We have fished together, eaten a lot of shrimp and crawfish together and on occasions have played a little bouree together. For those of you who do not know about bouree, all I am going to tell you is that this is a card game and it is still legal in Louisiana.

As we coonasses say here, we know how to pass a good time and Billy is one of the best at doing it.

I also want you to know that over the years, Billy and I have survived floods and hurricanes together. We have watched the oil and gas industry rise and fall and then rise again. We battled together on turtle devices, wetlands, brown pelicans and many other resource issues.

I have said all of this to simply say that Bill Tauzin is always there for his people in the Third Congressional District. I know the people of Grand Isle are forever grateful for everything Billy has done and continues to do for us.

Now that I have gotten all these things said about Billy that he asked me to say, let us get on.

[Laughter.]

Mayor CAMARDELLE. So before offering my comments on H.R. 701, allow me a few minutes to tell you about Grand Isle and the magnificent natural resources we have. I would also like to present to you the many challenges we face by virtue of being a small coastal community located in the Gulf of Mexico. I say that because we are Louisiana's only inhabited island in the mainland's first line of defense during the hurricane seasons. Please do not misunderstand me, for all the challenges and difficulties we face by living where we do, I would not want to live anywhere else in the world.

The municipality of Grand Isle lies within the beginning, which is 9.4 miles of Louisiana Highway 1. As far as I am concerned, it is the longest street in the state of Louisiana. Grand Isle, Louisiana is the only barrier island resort positioned to provide hurricane protection to the gulf coast. Surrounding Grand Isle, there are 12 recorded archaeological sites, two of which have been determined potentially eligible for National Register as Historical Places—Manila Village, recognized by the Jefferson Parish Historical Society, is in close proximity to Grand Isle. The world's largest artificial reef donated to the State of Louisiana by Freeport Mac Marine is located within seven miles off the coast of Grand Isle. Grand Isle provides close and easy access to the above-mentioned sites.

There are two distinct population groups. The first is the relatively small permanent residence population. The group has remained about 1,500 to 2,000 people on the island since 1960. Industrial analysts growth expectation is 3,186 residents by the year 2020 if the island does not wash away. The second group is comprised of tourists, camper owners—Billy's father-in-law camps on Grand Isle—and the petroleum companies and workers. At times, the population reaches upwards of 10,000 people on weekends.

Grand Isle is the staging area in offshore for oil exploration and production for Shell, Exxon and Conoco. Some 600 employees transfer a week, traveling through the heliports supporting activities from the Port Fourchon facilities. Housing personnel, services, food supply and the Coast Guard assistance are directly dependent on Grand Isle. The Federal Government is currently right now spending $5 million on a face lift on the Coast Guard station in Grand Isle on the eastern end. Approximately 10 million pounds of Louisiana production of shrimp fisheries originate in Grand Isle. This generates about $18 million in Louisiana's economy. Figures

estimating oysters and fish and other shellfish harvests are not available at this time.

The Grand Isle Tarpon Rodeo, which is the oldest and the largest competitive sportfishing rodeo in the United States held its 77th consecutive rodeo in 1998. Officially there are 10 sponsored fishing tournaments held each year in Grand Isle. With recreation fishing and boating being our greatest tourist attraction, we are able to provide 322 rental room facilities and 550 boat dock accommodations. Most are at full utilization throughout the year. One of the most successful state parks, which on some weekends provides entertainment for upward of 5,400 in out of state vacationers, and the yearly figures indicate 101,000 visitors, is comprised of 148 acres on the east and 48 acres west of the island.

The only fishing pier in the Gulf of Mexico waters is located in the state park in Grand Isle.

Grand Isle has been plagued with water shortage for many years. Our neighboring parish, Lafourche, furnishes our current water supply. Increased construction throughout Lafourche Parish, especially at Port Fourchon, places a high demand on outdated infrastructure with Grand Isle being at the end of the line. Each year, beginning in April through September, our residents face the threat of non-potable water. Barging water and expensive short-term solutions cost us last year nearly $300,000. Six years of coordinating an effort between the government and agencies became a reality when the funding was approved through all agencies for $18 million to run a 32-mile pipeline, 16-inch water line, which will begin at the Lower Lafitte and extend through Barataria waterway in Grand Isle. Construction will begin sometime in June this year and completion early in 2000.

My family has lived in Grand Isle for many generations. At one time, several small islands protected Grand Isle on the north side. The one I remember as a boy growing up was Bird Island. This island was approximately one mile long, one half mile wide. All the coastal species birds—the terns, the egrets, the pelicans and others were inhabitants on the island. The lushness of the vegetation attracted these birds to nest, others to feed as they crossed the gulf on their migratory course to the north. This course is still active today; however, the birds no longer stop on Bird Island because Bird Island no longer exists due to the coastal erosion. There is only one remaining island on the north. We named it, it is called Tern Island. Tern Island, which is renamed to compliment the former Bird Island, is abundant with the native vegetation such as the bay leaf and the guava trees that grow wild. This island is approximately 500 feet long and a quarter of a mile wide, small in comparison to what was once there and disappearing at an alarming rate.

Grand Terre has not been spared for onslaught of storms and tidal actions. In October of 1998, my office received a letter from Mr. Frank Truesdale, acting Marine Laboratory Director on Grand Terre. Mr. Truesdale stated that what beach sand is available on the western end is washing over and filling the five-acre pond in front of the laboratory. The entire eastern portion of this pond which existed in 1980 has now liberated as either part of the new beach or part of the gulf. As the sand washes over, the new beds

of peat are exposed as the surf erodes deeply into what had once been marsh, well into the beach. After the storms in 1998, eight foot strips of peat have been exposed in some places.

The most vivid measure of how much Grand Terre has eroded and continues to erode is the wooden walkway that during the 1980s crossed the five-acre pond to the beach, ending about 50 feet above the high tide line. What is left of the gulf end of this walkway is now in the Gulf of Mexico about 40 feet seaward of the low tide line.

Grand Terre is not only the home of the Marine Laboratory, but for Fort Livingston as well. The fort, completed some time in the early 1860s, is a part of Fort Livingston State Commemorative Area and has been placed on the National Register of Historic Places. It was abandoned in 1866, the state eventually took possession in 1923. The western wall now extends 75 feet into the Gulf of Mexico.

In October of 1992, Grand Isle Independent Levee District was formed. As President and Director, I have monitored the land loss and recorded the data. Various agencies—Louisiana Department of Natural Resources, Jefferson Parish and the U.S. Corps of Engineers—have helped me complete three projects creating a segmented breakwater system. These breakwaters are strategically placed to protect LA-1, our only evacuation route in and out the island from tidal actions and severe weather conditions. To this date, approximately $2.9 million has been spent on these projects.

I have a total of nine permits in my hands trying to find the right funding to put these projects to fight coastal erosion.

Grand Isle experienced a very active hurricane season last year. I have called mandatory evacuations three times within a four week period the whole month of September. Although no such orders were issued for tropical storm Frances, this turned into a most damaging storm, 21 inches of rain on my island and strong winds produced staggering losses. To this date, as a result of these four storms, I lost 280 feet of land on the north side or the bay side of Grand Isle. The south side of Grand Isle in the state park, we have lost 400 feet as of this date in overnight camping areas. Our hurricane protection levee suffered considerable damage as a result of those storms.

As I understand the various titles of H.R. 701, the proposed distribution the OCS funds would have a significant positive impact to communities like Grand Isle in funding much needed conservation and recreation programs. While we have been recipients of the Federal assistance from the Corps of Engineers and other agencies through cost share projects like our hurricane protection levee and our waterline, we desperately seek additional funding assistance for other what I call quality of life projects.

We in Grand Isle are not wanting to look for a Federal handout. In fact, we have always attempted ourselves first from the local and state standpoint. When the project's costs have been beyond our funding capabilities, we have sought Federal assistance, but always provided local dollars to match the Federal funds.

As I stated earlier, Grand Isle's proximity to the gulf makes its a natural location for those companies and government agencies that support the oil and gas activities in our region. With that

comes jobs. This is obviously good for our local tax base and economy. However, it also comes with a high price to our island's infrastructure. It is virtually impossible to know what the impacts are from the OCS activities, but they are there and are obvious. From the wear and tear of our roads and the waterways to the threat of actual pass accidents in the gulf, we pay a dear price.

I believe H.R. 701 would provide valuable funding resources to help communities like ours in maintaining and improving our various projects and programs. H.R. 701 offers a real balance between the oil and gas production and exploration and true natural resource conservation. The creation of an Outer Continental Shelf Impact Assistance Fund outlined in the bill will ensure these funds are properly recovered and distributed. This is very important for our future planning and will help expedite long-awaited wetland restoration and water quality projects, just to name a few. This goes to what we attempt to do every day in Grand Isle and throughout Louisiana, conservation and reinvestment in our resources.

While I am a proponent of the oil and gas development, I particularly appreciate the fact that the bill will provide these important funds without offering or having to create more incentives for new oil and gas development. The bill's ability to do this will confirm what we have thought for a long time, that the State of Louisiana has not been getting its fair share of these revenues to help offset the impacts that activities in the gulf have on us.

As I read the bill for the first time several weeks ago, I was struck by the recurring theme of how the bill provided for guarantees in annual funding. I am sure that I do not have to tell all of you that the state and local governments like ours with very limited funds, but enormous natural resources that we are ultimately responsible for protecting, most have these kinds of dedicated source of funding. The Land and Water Conservation Fund has provided valuable assistance to Louisiana in the past, but like most other programs, it never seems to be enough.

In summary, I believe H.R. 701 is a comprehensive, fair approach to assist the state and local governments who have long protected, restored and helped manage our most valuable natural resources. For these and many other reasons, I am pleased to offer my complete support for this bill and applaud each of you in the efforts of getting this passed.

Thank you, sir.

Mr. DEFAZIO. Thank you, Mr. Mayor.

I would just advise the rest of the panel because we have another panel to follow, that we want to be able to hear from everybody who has prepared testimony today, any prepared remarks you have submitted will be made part of the record, so it would be best if you could summarize and try and stay within the five minutes and the lights will indicate the duration of the five minutes, just so that we can hear from everybody. I would hate for the Committee to have come here and not to hear from everybody on the next panel. So——

Mayor CAMARDELLE. I apologize.

Mr. DEFAZIO. No, that is fine, Mr. Mayor. The Chairman was cutting a lot of slack with the Governor and mayors are more important than Governors to me, so we had to cut you some slack too.

Mayor CAMARDELLE. Thank you.

Mr. DEFAZIO. Mr. Kohl.

STATEMENT OF BARRY KOHL, DIRECTOR AND PAST PRESIDENT, LOUISIANA AUDUBON COUNCIL, NEW ORLEANS, LOUISIANA

Mr. KOHL. Mr. Chairman and members of the Committee, my name is Barry Kohl, I am director and a past president of the Louisiana Audubon Council. On behalf of the Council, I would like to express our appreciation to the Committee and Chairman Young for inviting us to come here today. The Louisiana Audubon Council is a not-for-profit organization comprised of local Audubon chapters, affiliates and members of the National Audubon Society. We are dedicated to the protection and restoration of Louisiana's coastal wetlands, bottomland hardwood forests and other critical wildlife habitats of the Lower Mississippi River.

We are pleased that the proposals now before this Committee and before the Senate will invest in the management of the nations natural resources and address the coastal impacts of the production of offshore oil and gas.

Many of the impacts have already been addressed by previous panelists, so I will summarize and only mention some of the issues that have not been addressed today. The details are in my written testimony which has been submitted.

I would like to discuss the impacts of toxic chemicals. According to the most recent EPA Toxic Release Inventory Report, Louisiana is the nation's second largest polluter after Texas. Most of this pollution is tied to the petrochemical industry. Chemical pollution along the Mississippi River is so serious that nationally, the section between Baton Rouge and New Orleans has become known as cancer alley.

There are presently 17 state mercury in fish health advisories for pregnant women and children under seven years of age as a result of past and current mercury pollution in the state of Louisiana. The Audubon Council is actively investigating these sources of the pollution.

Permitting. As was mentioned earlier, permitting is very important, it controls a lot of the damage that is being done in the state of Louisiana and I want to address some of those issues.

The protection afforded by the Clean Water Act has only affected oil and gas dredging since 1975. This was largely due to numerous lawsuits which increased the Corps' jurisdiction. Before that date, there were few Federal controls on dredging our marshes and swamps but during the 1980s, dredging permits issued to the energy industry were fast-tracked because of national priorities. Public notice comment periods were reduced to 15 days, giving the public and resource agencies insufficient review time. Today's method of reducing the effectiveness of the Federal permitting program is to cut the budgets of regulatory agencies. A district engineer recently wrote that, and I quote, "the regulatory branch is deliberately underfunded each year as part of the grand game of give

and take between private interests and public oversight." Political influence is derailing the intent of the Clean Water Act and promoting the conversion of wetlands in Louisiana. This has to change. I suggest that some of the OCS revenues be given to the Federal agencies which have to regulate our coastal zone. Those agencies—EPA, Fish & Wildlife Service, the Corps and National Marine Fisheries Services. The money should be used to adequately staff and fund the Corps of Engineers who have over 2,000 permits a year to review.

In the 1980s, the Federal Government considered setting up formal national sacrifice zones which would be used for national defense or nuclear waste repositories. The concept remains in fact, if not in name and we believe that Louisiana has become one of these areas.

I would like to address specifically the legislation. We ask that the bills be strengthened. We support all the legislation in part that has been submitted to Congress. We do feel it should be strengthened. We are concerned that H.R. 701 fails to ensure that Federal funds be provided to the states under Title III to be used to address the needs of non-game species. The Audubon Council has worked hard over the years to assure non-game species in Louisiana are properly protected. Any new money made available for state level wildlife conservation should be substantially dedicated to non-game species.

We request that the Land and Water Conservation Fund be fully funded from OCS revenues. The money made available each year should be available on a permanent basis and independent of the annual appropriation process.

We are concerned that under H.R. 701, there is not an effective Federal oversight over the spending of billions of dollars each year by the states. Based on our experience in Louisiana, it would be unwise to give money to the states without some accountability. Money given to local political subdivisions needs to be closely monitored. Louisiana's reputation for corruption is founded on fact and we are deeply concerned that 50 percent of the state's allocable share of OCS funds could be misappropriated or squandered by parish officials.

In conclusion, I would just like to summarize and state that our recommendations that the past coastal impacts be used in the formula to allocate coastal impact funds; that there be oversight of local governments' spending and creation of a coastal impact trust fund for each state.

Money given to the states and local governments should not stimulate more destruction of coastal environments, there should not be incentives to convert wetlands to developments even though they are for recreation.

Oil and gas impacts should be fully addressed in any mitigation program. Toxic wastes present an insidious wildlife, human health problem. Cleaning up contaminated water bodies and reduction of toxic petrochemical discharges should be supported in any future bill.

Also, funding should be used to expand the national wildlife refuge system.

Since Louisiana has suffered the most coastal environmental damage as a result of oil and gas exploration and development and since the majority of OCS revenues come from leases off the Louisiana coast, it is only fair that Louisiana should be given more consideration in sharing these coastal impact funds.

Thank you.

Mr. DEFAZIO. Thank you.

[The prepared statement of Mr. Kohl follows:]

STATEMENT OF BARRY KOHL, LOUISIANA AUDUBON COUNCIL

Mr. Chairman and Members of the Committee:

My name is Barry Kohl and I am a director and a past president of the Louisiana Audubon Council. On behalf of the Council, I would like to express our appreciation to the Committee and Chairman Young for inviting us to come here today. The Louisiana Audubon Council is a not-for-profit organization comprised of local Audubon chapters, affiliates and members of the National Audubon Society. We are dedicated to the protection and restoration of Louisiana's coastal wetlands, bottomland hardwood forests and other critical wildlife habitats of the Lower Mississippi River.

We are pleased that the proposals now before this Committee and before the Senate will invest in the management of this nation's natural resources and address the coastal impacts of the production of OCS oil and gas.

We also want to thank the Louisiana Congressional delegation for co-sponsoring the Young Bill, H.R. 701. Certainly we interpret this action as an affirmation that our delegation recognizes the far-reaching adverse impacts of the oil and gas industry on our state's waters, coastal zone, public lands and wildlife. We hope that members of this Committee will have the opportunity to fly over our coastal zone to see the damage for themselves.

Louisiana has historically had the greatest environmental impacts from the exploration for oil and gas of any coastal state. Presently, the bulk of OCS oil and gas revenues come from the area off Louisiana's coast. We therefore believe that any bill which is to offset states for environmental losses should include, proportionally within its allocation formula, the historical environmental losses inflicted on each state.

I want to begin my presentation by discussing the direct and indirect impacts to Louisiana's Coastal Zone from oil and gas exploration and production.

Oil and Gas Impacts on the Coastal Zone:

The first well drilled in a Louisiana coastal Parish was in 1901. By 1941, over 18,800 wells had been drilled in the coastal marshes. By 1993, 32,000 oil and gas wells existed in coastal wetlands and there were 790 oil and gas fields. Many companies which explored in our swamps and marshes in the first half of this century moved offshore into OCS waters after 1947.

According to the MMS, there are now 35,632 boreholes in the Gulf of Mexico OCS. Nearly 85 percent of these were drilled off Louisiana's coast. There are 3,973 producing platforms and 87 percent of these are in OCS waters off Louisiana. These platforms producing the bulk of the OCS oil and gas nationwide.

Navigation, pipeline and access canals:

As of February 1998, 358 pipelines cross the Federal/state line from the OCS. There are more than 21,000 miles of pipelines in Federal offshore waters and thousands more inland criss-crossing our coastal zone. Many of these lie in dredged canals and continue to alter coastal hydrology.

There are, additionally, thousands of oil and gas dredged canals onshore to access drill sites. Navigation canals authorized by Congress and dredged by the U.S. Army Corps of Engineers have added to coastal loss by introducing saltwater intrusion and secondary impacts. These navigation projects are used primarily by the oil, gas and chemical industries for transportation of commodities or for servicing the offshore oil industry.

Though we all benefit from the oil and gas industry, there can be no doubt it has been at the expense of our coastal environments.

Infrastructure impacts:

There are 21 supply bases in coastal parishes which support OCS activities. One base, Port Fourchon, has converted almost 2,600 acres of coastal wetlands to industrial use. Residential expansion is following this development. I need not remind the Committee that this is a hurricane prone area.

Because of the demand for larger and larger production facilities, fabrication yards have been sited near major waterways along the Louisiana coast. Thousands of acres of wetlands have been cleared near Houma and Morgan City to build the giant offshore structures used in the deep water OCS.

Toxic Chemicals:

According to the most recent EPA Toxic Release Inventory report, Louisiana is the nation's second largest polluter after Texas. Most of this pollution is tied to the petrochemical industry. Chemical pollution along the Mississippi River is so serious that nationally the section between Baton Rouge and New Orleans has become known as "cancer alley."

Toxic releases from petrochemical industries pollute our land, water and air. The Chlor-alkali industry, which produces caustic soda and chlorine gas from brine, is emitting two tons of mercury into our state's air each year. Two plants are still using archaic mercury-cell technology which contributes to the pollution of our streams and lakes. One of these sites has been polluting continuously since 1945!

There are presently 17 state mercury-in-fish health advisories for pregnant women and children under 7 yrs of age as a result of past and current mercury pollution. The Audubon Council is actively investigating the sources of this pollution.

EPA has designated the Calcasieu Estuary, in southwestern Louisiana, as one of the state's most contaminated waterbodies. Saltwater intrusion from the Calcasieu Ship Channel is causing additional habitat destruction.

Drilling wastes:

Because oil drilling wastes cannot be discharged offshore they are transported to onshore areas for disposal in open pits. In Louisiana, these disposal areas are mostly located in wetlands which are prone to hurricane tidal flooding. Leakage from these sites has allegedly caused health problems for nearby residents.

Permitting:

The protection afforded by the Clean Water Act has only affected oil and gas dredging since 1975. And this was largely due to numerous lawsuits which increased the Corps' jurisdiction. Before that date, there were few controls on dredging our marshes and swamps. But during the 1980's dredging permits issued to the energy industry were "fast-tracked" because of "national priorities." Public notice comment periods were reduced to 15 days giving the public and resource agencies insufficient review time.

Today's method of reducing the effectiveness of the Federal permitting program is to cut the budgets of regulatory agencies. A District Engineer recently wrote that, "the regulatory [branch] is deliberately underfunded each year as part of the grand game of give and take between private interests and public oversight." Political influence is derailing the intent of Clean Water Act and promoting the conversion of wetlands in Louisiana. This has to change.

In the 1980's the Federal Government considered setting up formal "National Sacrifice Zones" which would be used for national defense or nuclear waste repositories. The concept remains in fact, if not in name, and we believe that Louisiana has become one of these areas.

Sharing in Coastal Impact Assistance Funds:

There is no doubt that the Louisiana environment has paid dearly to provide the energy for the rest of the nation for almost 100 years. If any state needs Coastal Impact Assistance, it is Louisiana. Presently the bulk of all OCS revenues come from the Central OCS Sale area off the coast of our state.

We believe the revenues generated by the Federal Government from OCS leases and royalties should be shared by coastal states. The money should be allocated to the states based on the present OCS production and the known impacts to the states' coastal zone. Because of the 50 yrs of impacts from offshore oil and gas exploration and production, Louisiana deserves a significant portion of these OCS revenues.

Comments on the Proposed Legislation:

In addressing the bills before the Committee today I would like to say thatthe Audubon Council is pleased that there is a wildlife habitat preservation component. To the migratory waterfowl and neotropical birds which depend on hardwoods and wetlands for their survival, the Mississippi flyway and the Mississippi Delta are an international resource. We do ask that the bills be strengthened as follows:

Wildlife Conservation and Restoration:

We are concerned that H.R. 701 fails to ensure that Federal funds provided to the states under Title III will be used to address the needs of non-game species. None of the bills provide money for non-game species/habitat. Traditionally, 95 percent of the money spent on wildlife conservation has gone to wildlife that is hunted and fished. This funding disparity must be addressed. The Audubon Council has worked hard over the years to assure that non-game species in Louisiana are properly protected. Any new money made available for state-level wildlife conservation should be substantially dedicated to non-game species.

Land and Water Conservation Fund:

The Audubon Council requests that the Land and Water Conservation Fund (LWCF) be fully funded from OCS revenues. The money made available to the LWCF each year must be available on a *permanent* basis and independent of the annual appropriations process.

The LWCF should receive a minimum of $900 million each year. At least half of this money should be allocated to Federal land acquisition, with the remainder going to the stateside matching grant program. Further land purchases with LWCF funds should not be restricted to in-holdings and should be available on all current and future National Wildlife Refuges.

The Need For Oversight:

We are concerned that under H.R. 701 there is not effective Federal oversight over the spending of billions of dollars each year by the states. Based on our experience in Louisiana it would be unwise to give money to the states without some accountability. We have seen the new partnership between state and Federal agencies in Louisiana as part of the CWPPRA and Coastal 2050 planning process. We would like to see a similar partnership with Federal agencies having input on the use of OCS funds for land acquisition or any other conservation purposes. We ask that there be a strong public component to any planning/task force.

Potential Abuse:

Money given to local political subdivisions needs to be *closely monitored*. Louisiana's reputation for corruption is founded on fact. Local sheriffs and assessors consider their parishes to be their personal fiefdoms. We are deeply concerned that 50 percent of the state's allocable share of OCS funds would be misappropriated or squandered by Parish officials.

We are opposed to the provision under Section 104 of H.R. 701 which would allow states and local governments to use the money for a vast array of purposes, including promoting highway construction, golf courses, drainage and levees, and other non-conservation uses. The money should be used primarily to restore and enhance coastal and ocean resources, rather than to further environmental degradation.

We suggest that, since the OCS revenues will decline over the next 10 years, the revenues given to the states should be placed state trust funds to preserve some of the money for the long term. This would also assure a more prudent expenditure of the windfall.

New Programs:

Any new program should build on existing watershed, coastal management plans, or restoration plans that are already in existence. Considerable time and money 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 (CWPPRA), and others to produce strategies and plans for improving coastal resources and waters. It is sensible that the planning provisions of any new OCS legislation should build on planning that has already been done rather than begin anew.

Allocation Formula:

Under H.R. 701, 50 percent of the Title I funds are allocated to the coastal states on proximity to OCS production. The remainder will be distributed by population (25 percent) and length of shoreline (25 percent). we ask that there be a new allocation formula, one that includes as a major factor, the historic oil and gas activities which have degraded or destroyed the coastal environments. This is only fair. Neither H.R. 701 or H.R. 798 factor in the historic impacts. Louisiana has paid dearly by allowing the degradation of its coastal ecosystems to maintain the national energy supply. Are we to continue to be a "national sacrifice zone?" When the nonrenewable OCS resources are gone, how will the damage be reversed?

In considering the bills that are the subject of this hearing, this Committee and this Congress are undertaking the admirable 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.

Summary:

We urge that in any final bill the following recommendations be considered:

- That past coastal impacts be used in the formula to allocate coastal impact funds.
- That there be oversight of local government spending and the creation of a Coastal Impact Trust Fund for each state.
- Money given to the states and local governments should not stimulate more destruction of coastal environments. There should not be incentives to convert wetlands to developments even though they are for recreation.
- Money made available for the LWCF must be permanent and independent of the appropriation process.
- Any new money made available for state-level wildlife conservation should be dedicated equally to non-game/game species.
- All oil and gas impacts should be fully addressed in any mitigation program. Toxic wastes present an insidious wildlife/human health problem. Cleaning up contaminated waterbodies and reduction of toxic petrochemical discharges should be supported in any future bill.
- Some funding should be used to expand the National Wildlife Refuges.

Mr. Chairman, we believe that all the bills addressing the issuesdiscussed today have merit. We just need to refine the language and reconcile the differences between them. I would like to conclude with this thought. Since Louisiana has suffered the most coastal environmental damage as a result of oil and gas exploration and development and since the majority of the OCS revenues come from leases off the Louisiana coast it is only fair that Louisiana should be given more consideration in sharing these coastal impact funds.

Thank you

STATEMENT OF TED M. FALGOUT, EXECUTIVE DIRECTOR, GREATER LAFOURCHE PORT COMMISSION, GALLIANO, LOUISIANA

Mr. FALGOUT. Thank you, Mr. DeFazio.

Mr. DEFAZIO. Just state your name for recorder.

Mr. FALGOUT. I am Ted Falgout, Port Director of Port Fourchon. I also have a written presentation that I have submitted.

Port Fourchon is an increasingly significant busy port, located on the Gulf of Mexico. Historically, we have accommodated the shelf oil and gas activity, commercial fishing, Louisiana Offshore Oil Port (LOOP), foreign trade and recreational industries.

Unlike many communities in the country, we have embraced the oil and gas industry since its beginning and have withstood the roller-coaster boom-bust cycles that are characteristic of this industry. We have tried our best to accommodate this industry's need and we take pride in our ability to provide safe navigation and state-of-the art facilities with little or no Federal assistance.

With the passage of the Royalty Relief Act in 1996 and new technological advances, almost overnight the Gulf of Mexico changed from what was being called a dead sea to America's new frontier, and the rush to deepwater began.

The post Royalty Relief shift to deepwater is dramatic, it is a decision of this nation that has been very rewarding with reduced foreign energy dependence, balance of trade and record lease sales and fat bonuses. But somehow in this frenzy, we have overlooked our responsibility to mitigate these impacts.

Although the landside impacts are similar, the fiscal impacts are quite different. Instead of coastal states receiving lease payments

and royalties to help mitigate these impacts, the Federal Government is receiving these billions of dollars and not supporting the impacted state in dealing with the consequences.

Nowhere is the impact of OCS activity more evident than in Lafourche Parish, where Port Fourchon has become the focal point of intermodal transfer for support of nearly 75 percent of the deepwater projects in the central gulf. This sudden surge of activity has consumed us. Over 90 percent of today's business at the port is directly tied to the Federal OCS.

Our port has doubled in size in just three years. Only five years ago, just before the deepwater explosion, we projected our existing development to be sufficient until the year 2010. Guess what? Last year we reached our 2010 projection and over 100 companies and 1,000 trucks a day are operating out of our port.

The U.S. Minerals Management Service, the Federal agency that administers the OCS drilling program, recently completed a study which concludes that as a result of heavy usage resulting from increased deepwater oil and gas development, Louisiana-1, the only road access to Port Fourchon, will experience significant reduction in its ability to provide adequate levels of services and will become increasingly strained. This study projects an 80 percent increase in truck traffic over the next decade and every fully loaded truck has the same impact on the highway as 9,600 passenger vehicles.

This same agency in its most recent environmental impact statement describes the impacts on landside infrastructure, especially in focal point areas like Port Fourchon. The EIS includes statements like "OCS program activities will continue to have a significant impact on infrastructure in south Lafourche Parish due to the increase in deepwater activity," and other statements like, "The cumulative impact is expected to result in potential for increased educational strain, strain on deteriorating conditions of existing infrastructure, some deleterious impacts to comprehensive land use plans and difficulties in delivering satisfactory levels of public services."

I have always thought that the purpose of an EIS was to identify the impacts so they can be properly mitigated. The impacts are clear and it is time to do something about them.

A prime example of impact is the huge demand for high quality OCS drilling water. Port Fourchon is using 25 percent of south Lafourche's drinking water supply and has less than 1 percent of its population. In addition, due to extremely low water pressure, we must barge water from other parishes. As a result of this surge of activity, our school system is strained, our law enforcement officials are constantly having to deal with transient workers and their impact, our landfills must accommodate millions of tons of OCS-generated solid waste. This is all in addition to the obvious environmental impacts.

We strongly support H.R. 701. This bill will allow impacted states to share in OCS revenues so that we can sustain our landside infrastructure and restore our rapidly vanishing coastal wetlands, factors which are increasingly threatening our very existence in coastal Louisiana.

Thank you.

Mr. DEFAZIO. Thank you, Mr. Falgout, for a good summary.

Dr. Wentz.

[The prepared statement of Mr. Falgout follows:]

Written Testimony

to

Committee on Resources

U.S. House of Representatives

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May 3, 1999

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Testimony by

Ted M. Falgout
Executive Director
Greater Lafourche Port Commission

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In Support of

Conservation and Reinvestment Act of 1999
H.R. 701

Mr. Chairman, members of the Committee on Resources, I am Ted Falgout, Executive Director of the Greater Lafourche Commission and Port Director of Port Fourchon. I present to you my written statement.

Port Fourchon is an increasingly significant Port located on the Gulf of Mexico in the central part of South Louisiana. Historically, we have accommodated the shelf oil and gas activity, commercial fishing, the Louisiana Offshore Oil Port (LOOP), foreign trade, and recreation and tourism industries.

Unlike many areas of the country, our people have embraced the oil and gas industry since its beginning and have withstood the roller-coaster boom-bust cycles that are characteristic of this industry. We have tried our best to accommodate this industry's needs and we take pride in our ability to provide safe navigation, state-of-the-art facilities, and first class support services with little or no federal assistance. The people of southern Lafourche Parish even taxed themselves to build Port Fourchon.

The oil and gas industry's trend of migrating further and further offshore into deeper waters has steadily increased the significance of Port Fourchon as a support base, to a point where it is now evident that their is no better place in the Central Gulf geographically, economically, and environmentally for access to and support of deepwater drilling.

Until recent years, the benefits derived from onshore and near offshore revenues over shadowed the inequity that existed in the relatively few federal offshore developments. But this has changed dramatically! With the passage of the Royalty Relief Act in 1996, and new technological advances that enabled the industry to drill deeper with greater success, seemingly overnight, the Gulf of Mexico changed from being called the Dead Sea to America's New Frontier, and the rush to deepwater began.

The post Royalty Relief shift to deepwater is dramatic, a decision of this nation that has been very rewarding with record lease sales and fat bonuses but somehow in this frenzy, we have overlooked, our responsibility to mitigate these impacts.

These discoveries, although hundreds of miles offshore, still demand shoreside facilities and landside infrastructure in order to support these massive projects and they still must cross Louisiana's fragile wetlands for their transmission needs. Although the landside impacts are similar, the difference between drilling in deep waters offshore, and drilling near shore is like night and day. Instead of Louisiana and other coastal states receiving the lease payments and royalties to help mitigate the impacts, the Federal Government is receiving these billions of dollars and not supporting the impacted states in dealing with the consequences.

Nowhere is the impact of OCS activity more evident than in Lafourche Parish, where Port Fourchon has become the focal point of intermodal transfer for support of nearly 75% of the deepwater projects in the Central Gulf. This sudden surge of activity has consumed us. Over 90% of today's business at the Port is Federal OCS related.

Every widget, gadget, or person from wherever its origination, must change from an onshore mode to an offshore mode of transportation and vica versa, because virtually everything comes back inshore. Cargo must move from truck or inland barge to offshore supply vessel or helicopter and back.

Over 5000 people a week are moving to offshore locations through the Port. Over half these people are from out of state taking their paychecks back out of state and Louisiana again losing on the benefits.

The Port is handling over 30 million tons of cargo, a 275% increase in 3 years and expected to double in two more. A thousand trucks a day move through the Port.

We have doubled in size in just 3 years. Only five years ago, just before the deepwater explosion, we projected our existing permitted development at the Port to be sufficient until the year 2010. Last year we reached our 2010 projection and over a hundred companies are operating out of the Port.

All this activity is being supported by a two-lane highway which meanders through 15 miles of rapidly eroding wetlands and was originally built for access to Grand Isle, LA's only inhabited barrier island. It was never intended or designed to carry the burden of Federal OCS activity.

The U.S. Minerals Management Service recently completed a study entitled "An Analysis of Louisiana Highway 1 In Relation To Expanding Oil and Gas Activities In The Central Gulf of Mexico". This study concludes that as a result of heavy usage resulting from increased deepwater oil and gas development, LA 1, the only road access to Port Fourchon will experience a significant reduction in the level of service, its ability to provide an "adequate" level of services to support expanding offshore oil and gas activities and will become increasingly strained and that deterioration of LA 1 will also be exacerbated with expanding oil and gas activities.

We spend millions of dollars preparing Environmental Impact Statements on Federal Lease Sales and don't have a plan to mitigate the impacts identified in the findings. In the most recent EIS on Central Gulf of Mexico Lease Sales, the impacts of the lease sales on landside infrastructure especially in focal point areas like Port Fourchon is well documented. Statements like "OCS Program activities will continue to have a significant impact on infrastructure in South Lafourche Parish due to increases in deepwater activity" and "The cumulative impact is expected to result in the potential for increased educational

strain, strain and deteriorating conditions of existing infrastructure, some deleterious impacts to comprehensive land use plans; and difficulties in delivering satisfactory levels of public services", are all over this document.

This is not just us crying wolf. The federal agency charged with administering the OCS Program is telling you these impacts exists and are on the increase. This surge of activity in federal waters has strained the entire region and impacted every facet of our lives. From its impact on ports where millions in private and public funds are required to accommodate industry's needs to the Parish Water System, which is strained by the huge demand for high quality drill water. Port Fourchon is using 25% of South Lafourche's water supply and has less than 1% of population. In addition, because our needs exceeds the parish's capabilities, we're having to barge freshwater into the Port from other areas to meet the needs of deepwater drilling.

As a result of this surge of activity, our school system is strained. Our law enforcement officials are constantly having to deal with transient workers and their impact. Our landfills are having to accommodate millions of tons of OCS generated solid waste. This is all in addition to the obvious environmental impacts.

I have used Port Fourchon as the example, but these impacts can be seen throughout coastal Louisiana to varying degrees. The need to reinvest some of this federal money back into the coastal states that are carrying the burden of OCS development is long overdue. And becoming more critical each day.

We strongly support H.R. 701, this bill will allow impacted states to share in OCS revenues, so that we may sustain our landside infrastructure and restore our rapidly vanishing coastal wetlands, a factor which is increasingly threatening our very existence in Coastal Louisiana.

I feel compelled to give a few brief comments on H.R. 798. I have no quarrel with the goals of this proposed legislation, the problem I do have is that it doesn't even acknowledge the impacts to those areas that are enabling the U.S. Treasury to generate the $4 billion it proposes to share, much less provide for mitigation of these impacts.

I get this terrible feeling in my stomach when I read Mr. Miller's remarks which state that "H.R. 798 is a far more equitable distribution of revenues than other bills which lavish more than half of the public's money on a half dozen states and short change the rest of America".

He states that "unlike other OCS revenue bills Resource 2000 creates no incentives for additional leasing or development" my answer to this is that we have 600 oil platforms in a 40 mile radius of Port Fourchon and 20,000 miles of pipelines in the Gulf, I don't think mitigating their damages will be an additional incentive and I don't think drilling programs

will be driven by mitigating impacts.

I do believe that the Congressman from California is going about this the wrong way. He should be doing everything he can to keep this industry in LA because if we don't mitigate these damages very soon, we'll have to move to his state to furnish this country's energy needs.

Ladies and Gentlemen, I commend you on your decision to come to Louisiana to hold this hearing and feel comfortable that you have seen first hand where the short change is occurring and that you will do the right thing. The adverse impacts of OCS activities must be recognized and properly mitigated for, before we kill the goose that is laying the golden egg.

I have also included with this written testimony facts from pertinent publications which further explains and supports the need for OCS revenue sharing.

"It is interesting to note that **deepwater oil production increased 260 percent over the 5-year period 1992-1996; deepwater gas production increased 375 percent** during this same period. During this same time, the number of producing **deepwater fields more than tripled**, from 5 to 18 fields" (1: p.9).

"The **Central Planning Area dominates Gulf of Mexico OCS production**. During 1993, this area **produced 93 percent of the Gulf's oil and 73 percent of its gas** production" (4: p.21).

"**Natural gas from the Federal Outer Continental Shelf (OCS) plays a major role in meeting the Nation's energy needs.** In 1993, OCS natural gas represented **18 percent of U.S. reserves, about 25 percent of U.S. production,** and almost **56 percent of Mineral Management (MMS) OCS revenue**" (3 : p.1).

"About **89 percent of the oil and 99 percent of the gas produced on the Federal OCS came from the Gulf of Mexico in 1993**" (4 : p.21).

"**Federal lands offshore Louisiana generate more gas and oil revenue from OCS leases than leases offshore of any other State.** Since 1954, Federal lands offshore Louisiana have been the source of **65.6 percent of total OCS** mineral revenue" (3 : p.4).

"**Port Fourchon is a supply base for oil rigs and production platforms in the central Gulf of Mexico.** Supply boats and tugboats servicing these rigs and platforms operate out of **Port Fourchon because it is closer to the facilities** it serves than alternative ports. **Port Fourchon's strategic location** also makes it desirable for the maintenance and repair of mobile drill rigs. In recent year, "jack-up" drilling rigs have begun to use **Port Fourchon** for inspection, maintenance, and repair. Larger, semi-submersible drilling rigs would also benefit significantly by using facilities at **Port Fourchon** for maintenance and repair. **Port Fourchon is significantly closer** to some portions of the central Gulf of Mexico than alternative facilities at other ports" (2 : p.29).

"**Drilling rigs operating in the deep waters of the Gulf of Mexico more than quadrupled between 1991 and 1996,** from an average of 4 rigs drilling monthly to 17 rigs" (1 : p.9).

"**Port Fourchon** is situated at the mouth of Bayou Lafourche. **It is Louisiana's only port on the Gulf of Mexico.** While catering to several other business sectors, the **primary purpose of the port is to support offshore oil-and-gas activities throughout the Central Gulf of Mexico.** At present, more than **600 offshore platforms are located within a 40-mile radius of Port Fourchon** and, according to a recently completed study by the Corps of Engineers, **Port Fourchon will be within the service area of almost 60% of all offshore drilling activities** anticipated to occur off the Louisiana coast over the next thirty years" (6 : p.8).

"It **(Hwy.1) is the primary North-South corridor through Lafourche Parish** and is the **primary transportation route for trucks entering and exiting Port Fourchon, a primary service-support port for deepwater oil-and-gas activities in the Central Gulf.** Highway 1 is largely a rural, two-lane arterial road which passes through many of the principal cities and towns in Lafourche Parish" (6 : p.2).

"Needs specific to these deepwater projects may result in **more focused stresses placed on areas that are capable of supporting these large-scale development projects** (e.g., ports that can handle deeper draft service vessels). This focusing of activity could result in stresses to infrastructure servicing these focal points, as well as stresses placed on the infrastructure associated with the focal point. Testimony presented at a public hearing for the Central Gulf multisale EIS in Houma, Louisiana on June 23, 1997, and comment letters received from **parish and public officials highlighted the strain on infrastructure (particularly LA Highway 1 and water supplies) associated with activity at Port Fourchon, Louisiana.** Preliminary results from an MMS funded study indicate that the **level of service provided by LA Highway 1 will decline significantly.** The study also suggests that the **deterioration of LA Highway 1 will be exacerbated with expanding oil and gas activities** (Guo, Hughes, and Keithly, nd). Examination of recent rig locator reports indicates that coastal **Subarea LA-2 (which includes Port Fourchon) services at least two-thirds of deepwater activity in the Central Planning Area and one-third of deepwater activity int he Western Planning Area. OCS Program activities will continue to have a significant impact on infrastructure in South Lafourche Parish due to increases in deepwater activity** over the short term" (5 : p. IV-251).

"**Deepwater activity has resulted in focused stresses (e.g., Port Fourchon) to local infrastructure.** OCS Program activities will continue to have a **significant impact on infrastructure in South Lafourche Parish** due to increases in deepwater activity over the short term" (5 : p. IV-253).

"The **cumulative impact is expected to result in the potential for increased educational strain, strain and deteriorating conditions of existing infrastructure,** some deleterious impacts to comprehensive land use plans, and difficulties in delivering satisfactory of public services" (5 : p. IV-254).

"Within the Gulf of Mexico, for instance, **exploration and development drilling were up about 61 percent in 1993 compared to 1992**" (3 : p.16).

"In 1994 and 1995, there were **210 blocks** leased in 900 meters (approximately 3,000 feet) of greater water depth; in the 1996 sales, there were **712 blocks** leased in that water depth" (1 : p. iii).

"The Gulf of Mexico has the **most extensive network of offshore oil and gas pipelines** worldwide, stretching **over 20,000 miles**" (4 : p.21).

"Between 1993 and 1995, the number of **pipeline right-of-way and installation applications increased by more than 20 percent**" (1 : p.12).

The **Western and Central Gulf** is one of the few regions of the OCS that is **not currently under a moratorium** against new extraction operations" (7 : p.11).

"Analysis conducted by Melancon et al. (1997) indicates that **oil production from the Gulf of Mexico will increase in the range of 50% to 75% between 1996 and 2000, or at a rate of 10% to 15% per year**" (6 : p.5).

Furthermore, Melancon et al. suggest that production from **deepwater fields** will account for **56% - 65% of the total Gulf of Mexico oil production by the year 2000** (compared to 17% as of 1996) and from 19% to 28% of the total Gulf of Mexico gas supply (compared to the six percent as of 1996)" (6 : p.5).

"Production in the **Central Gulf of Mexico** during the period is expected to advance from **70% of the total in 1997 to more than 80% of the total by the year 2000**" (6 : p.5).

"**By the year 2000, oil production is forecast to increase by as much as 70-100 percent**" (1 : p.3).

"**Deepwater drilling continues at a high pace in the Gulf,** in March 1999, there were **25 (temporary and permanent) deepwater rigs simultaneously drilling in the Gulf of Mexico depths greater than 1,000 feet**" (8 : p.2).

"Production from Gulf deepwater reservoirs is also increasing. **MMS expects deepwater natural gas and oil activities to continue to grow as operators explore and develop recently acquired and existing active leases.** MMS's recent Lease Sales in 1996-98 are clear indications that industry is confident in the Gulf's deepwater resources. **As technology advances and costs are reduced, deepwater development projects will become more feasible, allowing companies to venture more into ultra deep waters--exceeding 5,000 feet water depths**" (8 : p.1).

"The **deepwater portion of Gulf of Mexico has shown a remarkable increase in oil and gas exploration, development and production**. In part this is due to the development of new technologies reducing operational costs and risks, as well as the finding of reservoirs with high production wells. There are about **90 announced Gulf deepwater prospects--the Gulf operators have been setting and surpassing records in water depth and length using new and improved proven technology**" (8 : p.1).

[1] Cranswick, D., and Regg, J., *Deepwater in the Gulf of Mexico: America's New Frontier.* New Orleans: U.S. Dept. of Interior, Minerals Management Service, 1997.

[2] Dykes, J., *Port Fourchon, Louisiana; Feasibility Report and Environmental Impact Statement.* New Orleans: U.S. Army Corps of Engineers, 1994.

[3] Gachter, R. A., *Facts about Offshore Natural Gas.* Herndon: U.S. Dept. of Interior, Minerals Management Service, 1994.

[4] Gachter, R. A., *Gulf of Mexico Update: July 1992-July 1994.* Herndon: U.S. Dept. of Interior, Minerals Management Service, 1994.

[5] *Gulf of Mexico OCS Oil and Gas Lease Sales 169, 172, 175, 178, and 182 Final Environmental Impact Statement.* New Orleans: U.S. Dept. of Interior, Minerals Management Service, 1997.

[6] Guo, J., Hughes, D., and Keithly, W., *An Analysis of Louisiana Highway 1 in Relation to Expanding Oil and Gas Activities in the Central Gulf of Mexico.* Baton Rouge: Louisiana State University for U.S. Dept. of Interior, Minerals Management Service, 1998.

[7] Laska, S., and Seyditz, R., *Social and Economic Impacts of Petroleum "Boom and Bust" Cycles.* New Orleans: University of New Orleans for U.S. Dept. of Interior, Minerals Management Service., 1994.

[8] Gulf of Mexico OCS Region, *Deepwater Information.* New Orleans for U.S. Dept. of Interior, Minerals Management Service, April 15, 1999.

Minerals Management Service

Gulf of Mexico OCS Region

Deepwater Production Summary by Year

Production Data by Year						
Deepwater Production (WD>1000Ft)			Total GOM OCS Production		% of Total Production	
Year	Oil, STB	Gas, MCF	Oil, STB	Gas, MCF	Oil	Gas
1985	21,053,752	33,849,349	351,133,870	4,080,673,536	5.995	0.829
1986	19,077,066	36,900,361	356,398,376	4,065,290,190	5.352	0.907
1987	17,070,926	44,259,499	328,243,087	4,544,898,630	5.200	0.973
1988	12,984,552	38,228,499	301,704,812	4,592,110,057	4.303	0.832
1989	10,007,573	31,889,109	281,160,011	4,650,492,448	3.559	0.685
1990	12,141,988	30,502,933	274,957,304	4,918,286,104	4.415	0.620
1991	22,886,754	58,301,948	295,131,058	4,718,984,066	7.754	1.235
1992	37,295,127	87,112,193	305,282,682	4,664,014,131	12.21	1.867
1993	36,769,914	119,788,051	309,229,380	4,675,505,885	11.89	2.562
1994	41,803,238	159,368,037	314,743,342	4,845,540,224	13.28	3.288
1995	55,200,884	180,938,464	345,556,998	4,795,345,331	15.97	3.773
1996	72,222,765	278,159,995	369,333,892	5,095,120,024	19.55	5.459
1997	108,510,937	381,003,462	411,818,787	5,157,051,309	26.34	7.388

Deepwater Production Increase - Year to Year		
Year	% Increase, Oil	% Increase, Gas
1985 to 1986	-9.3	9.01
1986 to 1987	-10.	19.9
1987 to 1988	-23.	-13.
1988 to 1989	-22.	-16.
1989 to 1990	21.3	-4.3
1990 to 1991	88.4	91.1
1991 to 1992	62.9	49.4
1992 to 1993	-1.4	37.5
1993 to 1994	13.6	33.0
1994 to 1995	32.0	13.5
1995 to 1996	30.8	53.7
1996 to 1997	50.2	36.9
Average (through 1996)	19.2	25.8

STATEMENT OF DR. ALAN WENTZ, GROUP MANAGER FOR CONSERVATION, DUCKS UNLIMITED, MEMPHIS, TENNESSEE

Dr. WENTZ. Thank you very much, Mr. Chairman.

Mr. DEFAZIO. Please state your name for the record.

Dr. WENTZ. My name is Alan Wentz of Ducks Unlimited.

Both versions of this legislation recognize the desire of the American people to maintain healthy landscapes for future generations and the wildlife that is so much a part of our heritage.

Ducks Unlimited has always recognized the value of habitat-based conservation to the long-term health of wildlife populations and to the well-being of humans. These bills will provide substantial amounts of funding to carry out the essential habitat conservation work for an array of wildlife species in ways that were never feasible before.

Our state natural resource agencies are our front line for conservation. An investment in these programs is an investment in locally directed, effective and responsible land and wildlife stewardship. Passage of this legislation will build upon the support that states have historically received from hunters and anglers and will help equip state wildlife agencies with new conservation tools. This kind of investment in our country's infrastructure for natural resource management is absolutely essential to the future.

State wildlife agencies have been given many new responsibilities over the last several decades. It is time for us to provide new sources of revenue to pay for these responsibilities.

In addition to land acquisition, which obviously is a valuable conservation tool, this legislation will provide the resources for states to work with private landowners to find incentive-based, non-regulatory answers to conservation problems. Landowners are looking for assistance in restoring wetlands, native grasslands, forests and other habitats for both economic and wildlife benefits. For instance, landowners are finding that conservation easements are in many cases the best way to secure wildlife habitat and healthy landscapes while keeping the land economically productive.

Our goal should be to keep the wildlife habitat and its private stewardship in place whenever possible without annual government or private subsidies. To do that, we must recognize that the landowner needs to create income from the land. Voluntary land protection and management programs where landowners are finding ways to preserve the integrity of their property while retaining ownership of the land are the wave of the future.

One of the most contentious issues in conservation today is what to do about endangered species. Species that are hunted and have sufficient management tend to continue in abundance. On the other end of the continuum, species that are classed as endangered also receive a lot of management attention, but the majority of our wildlife species fall between these two groups, and we historically have not had sufficient funds to manage them. It is sensible to take actions that preclude the need for implementing controversial and expensive resource recovery plans once a species is listed.

To paraphrase the motto of Partners in Flight, passage of this legislation will help keep common species common.

DU applauds the authors of H.R. 701 for including provisions that make the interest earned from Title III monies available to

the North American Wetlands Conservation Fund. Habitat conservation under the Wetlands Fund has been widely acclaimed in the conservation community. Providing additional funds to this proven successful program is a wise investment since every Federal dollar leverages an average of 2.3 non-Federal dollars. The Wetlands Act is one of the most successful partnership programs ever put into operation and new funds invested here will continue that effort and enhance the objectives of both of these important Congressional actions. These funds are seriously needed since last year only 42 percent of the wetlands conservation projects submitted under the Act were funded.

Since 1986, the North American Waterfowl Management Plan has been one of the great success stories in conservation. Through joint venture 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 delivering habitat conservation that benefits all birds. Right now, there is an unprecedented climate of cooperation among bird conservationists. Never before has the conservation community been poised to provide for the habitat needs of such a large and diverse group of organisms. Science-based, landscape driven conservation plans for all song birds, waterfowl, shore birds and wading birds are being put into place. However, not only are we finalizing solid plans for the conservation of hundreds of species, but these plans will be integrated through efforts like the North American Bird Conservation Initiative which will maximize the effectiveness and efficiency of every dollar spent.

The legislation under consideration here today will facilitate the success of these new and important partnerships. We hope the Committee will create final legislation that can be supported by the broadest group of organizations and individuals. We believe it is essential that Title III of H.R. 701 be part of the final product.

Thank you for inviting us to testify today. We support the concept of these bills because we, like so many other Americans, have a deep and abiding desire to see a healthy and thriving American landscape that provides for the needs of wildlife and people now and for our grandchildren and future generations.

Thank you.

Mr. DEFAZIO. Thank you. Your testimony will be given particular weight because you finished just before the red light went on.

[Laughter.]

[The prepared statement of Dr. Wentz follows:]

STATEMENT OF DR. ALAN WENTZ, PH.D., GROUP MANAGER FOR CONSERVATION, DUCKS UNLIMITED, INC.

I would like to thank the Chairman, especially you Congressman Tauzin, and the other members of the Committee for inviting me to testify on behalf of Ducks Unlimited, Inc. regarding this important issue.

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.

We applaud the proposed reinvestment of Outer Continental Shelf oil revenues in the conservation of our natural resources. Enactment of this concept will leave a lasting legacy on the landscape of America's wild and natural places. Both versions of the legislation being heard today recognize the desire of the American people to maintain healthy landscapes for themselves and the wildlife that is so much a part of our heritage.

The Approach is Visionary

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. These bills provide substantial amounts of funding to carry out essential habitat conservation for an array of wildlife species in a way that has never been feasible before.

State natural resource agencies 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. By building upon the support that states have historically received from hunters and anglers, CARA recognizes that a grand variety of wildlife benefits from conservation and the program will help equip state wildlife agencies to use a variety of conservation strategies. This kind of investment in our country's infrastructure for natural resource management is absolutely essential to our future. State wildlife agencies have been given many new responsibilities over the last few decades. It is time for us to provide new sources of revenue to pay for these responsibilities.

In addition to land acquisition, which is a valuable conservation tool, CARA will provide the resources for states to work with private landowners to find incentive-based, non-regulatory answers to conservation problems. Ducks Unlimited works with landowners across the North American continent and we believe strongly in private property rights and values. Because of that we work with voluntary land protection and management programs where landowners are finding ways to preserve the integrity and health of their property, while retaining ownership of the land. Our efforts include assistance in restoring wetlands, native grasses, and natural forests for the benefit of the landowner and wildlife. There is a very high demand for these kinds of assistance. One of our beliefs is grounded in the fact that when you find land management practices that benefit both wildlife and the economic interests of the landowner you can expect those practices to continue without government or private subsidies.

One of the tools we at DU increasingly use is the voluntary conservation easement. In fact, landowners are finding that conservation easements are, in many cases, the best way to secure wildlife habitat and healthy landscapes into the future, while keeping the land economically productive. DU holds conservation easements in many states. Our focus is on "working" lands that produce agricultural crops, timber or other products. The goal is to keep the wildlife habitat and its private stewardship in place for the future and to do that we all must recognize that the landowner needs to create an income stream from the land. Hopefully one of the ways state wildlife agencies will use a portion of the funds they receive under CARA is to facilitate creation of these types of easements.

One of the most contentious issues in conservation today is what to do about endangered species. CARA provides resources for conservation of habitats before populations become perilously low. History has shown that species that are hunted and have sufficient management in place tend to be kept in abundance. On the other end of the continuum, species that are classed as endangered also receive a lot of management attention. But the majority of our wildlife species fall between these two groups and we historically have not had sufficient funds to manage these species. It is sensible to take actions that preclude the need for implementing controversial and expensive recovery plans once a species is listed. To paraphrase the motto of a Neotropical bird conservation effort—"Partners in Flight"—CARA will help us keep common species common.

CARA would also provide states with funding for wildlife education and nature-based tourism, an important aspect of conservation in today's society. Natural resources conservation efforts that also educate the public about the values and benefits of those resources have the greatest potential for long-term success. The American public spends $100 billion each year in wildlife-related recreation. CARA will enhance that by helping to maintain healthy wildlife populations and provide for appropriate access, education, and related services.

DU applauds the authors of CARA for including provisions that make the interest earned from Title III monies available to the North American Wetlands Conserva-

tion Act program. 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 partnership programs ever put into operation and new funds invested here will continue that effort and enhance the objectives of both of these important congressional actions.

Finally, CARA is visionary in that it recognizes that landscapes rejuvenated and enhanced for wildlife help ensure the quality of life for Americans today and tomorrow because we all depend on the same clean and abundant water, air, and soil.

Action is Timely

Right now, there is an unprecedented climate of cooperation and integration among bird conservation initiatives. Never before has the conservation community been poised to provide for the habitat needs of such a large and diverse group of organisms. Science based, landscape driven conservation plans for all songbirds, waterfowl, shorebirds, and wading birds are being put into place as we enter the new millenium. However, not only are we finalizing solid plans for the conservation of hundreds of species, but these plans will be integrated through efforts like the North American Bird Conservation Initiative to maximize the effectiveness and efficiency of every dollar spent.

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 forming to deliver habitat conservation that benefits all birds. CARA will provide increased public funds to facilitate the success of these new and important partnerships.

Cooperation is Important

It is our hope that the legislation that emerges from Congress can respond to the interests of both bills being discussed today. We believe it is healthy for the Committee to operate in a climate of cooperation to create final legislation that can be supported by the broadest group of organizations and individuals. We believe it is essential that Title III of H.R. 701 should be part of the final product.

Thank you for inviting Ducks Unlimited to participate today. Ducks Unlimited supports the concept of these bills because we, like so many others, have a deep and abiding desire to see a healthy and thriving American landscape that provides for the needs of wildlife and people now and for our grandchildren and future generations.

STATEMENT OF CYNTHIA M. SARTHOU, EXECUTIVE DIRECTOR, GULF RESTORATION NETWORK, NEW ORLEANS, LOUISIANA

Ms. SARTHOU. Hello. My name is Cynthia Sarthou and I am Executive Director of the Gulf Restoration Network. We have submitted formal written testimony. The GRN is a member of the Marine Fish Conservation Network, a network of 80 groups nationally who fight for the conservation of marine fish. We have submitted a statement on their behalf as well.

The Gulf Restoration Network is a network of over 40 environmental, social justice, citizen and labor groups and individuals concerned about the long and short-term health of the Gulf of Mexico and dedicated to restoring it to a sustainable condition. Since 1994, we have striven to raise awareness of the need to address the threats to water quality, wetlands and coastal shorelines in the Gulf of Mexico.

To understand our perspective, we must look at the impacts which the Gulf states as a whole have suffered as a result of oil and gas development. I am not going to go into any detail because I think you have heard it pretty extensively today. But we would like to note that it is not just Louisiana that suffers these impacts. The states of the western and central gulf, particularly Louisiana

and Texas, support virtually all of the existing OCS activity in this country and the impacts on those states and their environment is undeniable.

The communities of Alabama, Mississippi, Louisiana and Texas are required to face the increased risks posed by continuing wetlands loss, degrading water quality and pollution from oil and gas development and the scarcity of funds to address those problems. Faced with this predicament in Gulf communities, the GRN is very hesitant to support any legislation that would provide incentives that could potentially inflict a similar fate on other communities of the United States. It is within this context that we have analyzed H.R. 701 and H.R. 798.

Looking first at H.R. 701, we appreciate the intent behind H.R. 701 and the funds that it would provide to impacted states. However, we believe that H.R. 701 provides incentives for development in other coastal areas, including sensitive frontier areas which are not currently protected by the moratorium, and thus are very concerned with this legislation.

To eliminate these incentives, the exclusion of revenues from leased tracts in areas under a moratorium must apply to all revenues under all three titles of the bill. Additionally, the definition of the term "qualified outer continental shelf revenues" in section 102 should exclude all revenues from bonus bids from leases issued after the date of enactment and revenues from new production on existing leases outside the western and central gulf.

We also believe that the definition of "eligible political subdivision" in section 102.6 and the determination in section 103(e) of an otherwise eligible local subdivision's share should explicitly exclude consideration of tracts leased after enactment.

We are also concerned that the authorized uses in section 104 of H.R. 701 do not ensure that the revenues will be used to restore and enhance coastal and ocean resources which we believe is critical. In fact, H.R. 701 would free states and localities to use the money for a huge array of purposes, including promoting more offshore oil drilling, highway construction unrelated to restoration efforts and similar activities.

We prefer an approach such as that taken in Congressman Miller's bill, which specifically allocates funds for the conservation of coastal and marine environmental resources. At a minimum, the use of OCS impact assistance should be restricted to the amelioration of adverse environmental impacts resulting from siting, construction, expansion or operation of OCS facilities; projects and activities, including habitat acquisition, that protect or enhance air quality, water quality, fish and wildlife habitat or wetlands in the coastal zone; the collection of fisheries data and monies for fisheries management; protection of essential fish habitat; and administrative costs incurred in approving, disapproving or permitting OCS development.

Specific consideration should be given to targeting monies to existing under-funded marine and coastal conservation programs such as coastal zone management, fisheries management, essential fish habitat or marine sanctuaries.

Finally, under H.R. 701, we believe that there must be Federal oversight of the spending of the billions of dollars disbursed under

that Act. We would also suggest that any required plan and all coastal impact assistance provided under the bill build upon existing watershed, coastal management or restoration plans that may already be in existence.

Turning to H.R. 798, we are much more comfortable with the approach taken by this bill. The bill does not provide incentives for new offshore leasing or drilling, excludes from the definition of qualified OCS revenues all revenue from new leasing and production and requires that Title VI monies be spent on conservation of living marine resources.

Finally, the bill provides significant new funding specifically for marine conservation, which we believe is important. Our only concern with H.R. 798 is that it fails to include a provision which specifically targets substantial funding to address the damages to coastal environments associated with existing oil and gas activity.

We believe it is time to take seriously the damage that has been suffered by our states, particularly those in the western and central gulf, as the result of oil and gas activity. Funding to address this damage should be incorporated as an integral part of this or any legislation which seeks to refocus the use of Federal OCS revenues.

We thank you for this opportunity to testify and we thank the Louisiana delegation for bringing these issues forward for discussion.

Mr. TAUZIN. Thank you very much, Ms. Sarthou.

And finally, Mr. Mark Davis, Executive Director of the Coalition to Restore Coastal Louisiana. Mark.

[The prepared statement of Ms. Sarthou follows:]

Testimony of the
Gulf Restoration Network

On

H.R. 701 " The Conservation and Reinvestment Act" And
H.R. 798 "The Resources 2000 Act"

At the New Orleans Field Hearing of the

House Resources Committee

May 3, 1999

Presented by:

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Introduction

My name is Cynthia Sarthou and I am Executive Director of the Gulf Restoration Network. On behalf of the Gulf Restoration Network (GRN), I wish to express our appreciation to the Committee for inviting us to testify today. We would also like to express our appreciation to the Louisiana Congressional delegation for bringing the issue of the need to refocus the use of Federal OCS revenues forward.

The GRN is a diverse coalition of 40 local, regional and national environmental, social justice, citizen and labor groups and individuals concerned about the short and long-term health of the Gulf of Mexico, and committed to restoring it to an ecologically and biologically sustainable condition. Members of the Network are located in each of the states along the Gulf of Mexico. The matters before the Committee today are of vital concern to the GRN and its members who have a significant interest in the future of the Gulf's waters, coasts, and wildlife. Since 1994, the GRN has striven to raise awareness of the need to address the threats to water quality, wetlands and coastal shorelines along the Gulf of Mexico.

Marine Fish Conservation Network

The GRN is a member of the Marine Fish Conservation Network (MFCN), located in Washington DC. The Network is a coalition of more than 80 national, regional, and local environmental, commercial and recreational fishing, and marine science organizations dedicated to the conservation of marine fish. Mr. Chairman, on behalf of the MFCN, I would like to submit, and am attaching to my testimony, a statement regarding the distribution of the outer continental shelf (OCS) revenues to states.

Gulf Restoration Network Perspective

To understand the perspective of the GRN on this issue we must first discuss the impacts which Gulf states have suffered as a result of oil and gas development off of their coasts. The states of the Western and Central Gulf, particularly Louisiana and Texas, support virtually all of the existing OCS activity in this country. The impacts of oil and gas development on the natural resources, communities, and public infrastructure of these States are undeniable.

Nowhere in the Gulf is the impact of the oil and gas industry more evident than in the State of Louisiana. Oil and gas exploration and production have been part of Louisiana's history for more than a century. By last count, Louisiana had more than 30,000 oil and gas wells in its coastal zone with another 20,000 in Louisiana's OCS area. Tens of thousands of miles of pipelines that serve coastal and OCS facilities (more than 20,000 miles of pipelines offshore alone) run through its marshes, swamps and barrier islands. When ruptured, these pipelines spill millions of gallons of oil per hour into Louisiana's estuaries. These pipelines leave behind canals that are up to 70 feet wide and run for miles, serving as conduits for salt water to penetrate into fresh water habitats, and spoil banks that serve as dams that disrupt the natural flow that is essential to the survival of wetlands vegetation and the essential fishery habitat that it provides. These impacts are not merely historical

but are continuing. Pipelines are being laid each day, and waterways have grown from fifty feet wide to hundreds of feet wide due to the wakes of the crewboats, supply boats and other vessels needed to service and expand the OCS industry.

For the residents of the Gulf, the damage we endure is made worse by the fact that little of the money gleaned by the country from these activities is returned to the Gulf to address the impacts suffered by our coastal environment. The vast bulk of oil and gas activity in the region has been pursued as part of a national program to develop oil and gas resources, and the lions share of the financial benefits reaped by the nation have spent outside of the Gulf region. To be sure, locals benefited to some extent, but the primary beneficiaries of all this activity lay outside of the Gulf . Yet, it is the coastal communities of Alabama, Mississippi, Louisiana, and Texas that are required to face the increased risks posed by continuing wetlands loss, degrading water quality, and pollution. Also, these communities must continue to support the oil and gas industry through maintenance of roads, police, emergency services, and the like in the face of a scarcity of funds. Faced with this predicament in the states of the Western and Central Gulf, the GRN is hesitant to support any legislation that would provide incentives that could potentially inflict a similar fate on other coastal communities.

Analysis of H.R. 701 and H.R. 798

It is within this context that the GRN has analyzed H.R. 701 and H.R. 798. In our opinion, H. R. 701, although well intended, provides subtle incentives for oil and gas development and fails to provide sufficient protection for, and restoration of, important coastal and marine resources. In contrast, we feel that H.R. 798 provides greater protections and benefits for coastal environments. We are particularly pleased that a significant portion of the funds in H.R. 798 are set aside to fund programs and projects to protect and conserve the marine environment. The only improvement to H.R. 798 that we would request is inclusion of specific assistance to states whose coastal and marine resources have already been impacted by the oil and gas industry.

The following is a more detailed discussion of the GRN's concerns with regard to H.R. 701 and H.R. 798.

I. H.R. 701

A. Revenues

Gulf residents know only too well the impacts of the industry and thus are opposed to any bill that provides incentives for similar development in other coastal areas, including sensitive frontier areas not currently protected by the moratorium. Unfortunately, H.R. 701 provides incentives for new OCS oil and gas activities and fails to ensure that federal money is spent on programs and projects that benefit the coastal environment. Although the bill now provides for the exclusion of revenues from leased tracts in areas under moratorium, this provision only applies to Title I funds.

The GRN believes that this exclusion should apply to revenues *for all three titles* of the bill and should be expanded to exclude not only revenues from moratorium areas, but all revenues from 1) bonus bids from new leases and 2) revenues from new production on existing leases outside the Western and Central Gulf of Mexico. We also strongly recommend that the legislation define the term "qualified Outer Continental Shelf revenues" in the definitions section of the bill (Section 102) to exclude: 1) bonus bids from leases issued after the date of enactment of the legislation; and 2) revenues from new production on existing leases outside the Western and Central Gulf of Mexico, that commences after the date of enactment. Since the bulk of the revenues generated by the federal OCS program are derived from the Central and Western and Central Gulf of Mexico, this change will not unduly affect the revenues available.

Under H.R. 701, fifty percent of Title I funds are allocated to the coastal states based on proximity to OCS production. This provision also can be interpreted as an incentive for new leasing and drilling. To eliminate any potential incentive, the allocation formula should be based on past, historic activity that has already resulted in harm, not on new leasing or drilling. Consequently, all tracts on which production commenced after the date of enactment should be excluded from the calculation of a state's allocable share.

H.R. 701 also require that 50 percent of a state's allocable share automatically goes to eligible political subdivisions, which are defined to be political subdivisions with OCS leasing off their coasts. (The closer the leasing, the more money the locality gets). Localities with no leasing are not entitled to share in the money. This again creates a major incentive for localities to accept new leasing. To address this problem, we recommend that the definition of eligible political subdivision in Section 102(6) exclude tracts leased after enactment and that the determination in Section 103(e) of an otherwise eligible local subdivision's share explicitly exclude consideration of tracts leased after the date of enactment.

B. Uses

This bill is funded by extracting nonrenewable resources from the OCS, and it is critical that those funds be allocated for marine and coastal conservation and protection. Coastal and marine protection and conservation programs, particularly fisheries programs, have been critically under-funded. Unfortunately, the authorized uses in Section 104 of H.R. 701 do not ensure that the revenues provided under the Bill will be used to restore and enhance coastal and ocean resources, rather than cause further environmental degradation. In fact, states and localities would be free to use the money for a huge array of purposes, including promoting more offshore drilling, highway construction unrelated to restoration efforts and the like.

We prefer an approach, such as that taken in Title VI of Representative George Miller's bill, which specifically allocates funds for the conservation of coastal and marine environmental resources, including new funds for marine conservation, rather than on activities that could potentially degrade the environment. At a minimum, we request that the OCS impact assistance title restrict uses of the money going to state and local jurisdictions to the following:

* amelioration of adverse environmental impacts resulting from the siting, construction, expansion, or operation of OCS facilities

* projects and activities, including habitat acquisition, that protect or enhance air quality, water quality, fish and wildlife, or wetlands in the coastal zone;

* collection of fisheries data;

* protection of essential fish habitat; and

* administrative costs the state or local government incurs in approving or disapproving or permitting OCS development/production activities under applicable law, including the CZMA or OCSLA; and/or

We also would recommend that consideration be given to targeting some portion of the monies under the bill on funding for existing under-funded Marine and Coastal Conservation Programs, such as Coastal Zone Management, Essential Fish Habitat protection or Marine Sanctuaries.

C. Oversight

Finally, we are concerned that under H.R. 701 there is no effective federal oversight of the spending of billions of federal dollars each year. While H.R. 701 requires the states to develop plans for use of the money and to certify the plans to the Secretary of the Interior, the Secretary is given *no* authority to review or approve these state plans. The lack of federal oversight combined with the broad array of uses to which the funds may be put make real the possibility that environmentally damaging projects could well be funded. NOAA and/or EPA should have the authority to review and approve in advance the annual plans proposed by each state and local government to ensure that the money will be used for the specified purposes and will not be inconsistent with the Coastal Zone Management Act, the Clean Water Act, or any other environmental law.

We would also suggest that the required plans and coastal impact assistance provided under the Bill build upon any existing watershed, coastal management plans, 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 in many Gulf States to produce strategies and plans for improving our coastal resources and waters. The planning provisions of any new legislation should build on that history rather than competing with them.

II. H.R. 798, THE RESOURCES 2000 ACT

The GRN is more comfortable with the approach taken by Congressman Miller in H.R. 798. This Act does not provide for incentives for new offshore leasing or drilling. The definition of

qualified OCS revenues within Section 4(4) of the Bill specifically excludes revenues from new leasing and production. Additionally, 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. Finally, the Bill provides significant new funding specifically for marine conservation.

In the opinion of the GRN, H.R. 798 the one significant improvement that could be made to the Bill is the inclusion of a provision which targets substantial funding to redress the damages to coastal environments and communities resulting from the presence of the transportation, processing, and servicing facilities associated with OCS oil and gas activity. Little has been done to recognize those impacts, much less to address them. The GRN believes that it is time to take seriously the damage suffered by the states that have for so long been host to the oil and gas industry, particularly those states in the Western and Central Gulf. **Funding to address this damage should be incorporated as an integral part of this, and any, legislation which seeks to refocus the use of Federal OCS revenues. The impacts of this industry on its host states deserve a committed national response.** We would like the opportunity of working with Congressman Miller and the Committee to ensure that adequate coastal impact assistance is incorporated into H.R. 798.

Conclusion

In conclusion, the GRN believes that any bill which seeks to refocus OCS revenues must:

1) target monies on programs or projects to redress the damages to coastal environments in states which presently host the oil and gas industry;
2) ensure that no potential incentive for new oil and gas development in coastal areas, including sensitive frontier areas not presently protected under the moratorium;
3) allocate funds for marine and coastal conservation and protection
4) ensure that the funds allocated under the bill are required to be used to restore and enhance coastal and ocean resources;
5) ensure that any required conservation plans and coastal impact assistance build upon existing watershed, coastal management, or restoration plans; and
6) require that effective federal oversight of the spending of funds allocated under the bill.

We appreciate this opportunity to testify and look forward to working with the Committee on this important legislation.

STATEMENT OF MARK DAVIS, EXECUTIVE DIRECTOR, COALITION TO RESTORE COASTAL LOUISIANA, BATON ROUGE, LOUISIANA

Mr. DAVIS. Thank you, Mr. Chairman. I would like to thank the Committee, particularly yourself and Congressman John for your leadership in bringing this issue forward and, of course, Chairman Young for allowing this event to take place.

The Coalition to Restore Coastal Louisiana was founded in the mid 1980s expressly to deal with the issues of coastal land loss and coastal stewardship in Louisiana. The Coalition is made up of a broad array of interests, conservationists, fishermen, environmentalists, local governments, just about anybody who has a stake in the future of this, you know, national treasure.

I think it is important to take a moment to really commend the authors of—and sponsors of both H.R. 701 and H.R. 798 for really charting a course that lays out historic opportunity for us to take up the stewardship challenge of our marine resources, public lands, historic properties and wildlife as we enter the next century. We support those initiatives and, you know, again think that both bills have much to commend them. Obviously there will be some fine tuning to do. However, it is the issue of coastal impact assistance that really I would like to spend the balance of my testimony on this morning. We also have a written statement which we would like the record to include.

Mr. TAUZIN. That is automatic. All of your written statements are a part of the record.

Mr. DAVIS. Thank you, Mr. Chairman.

Our coasts are in crisis, as you have heard today, and this is not just a local problem. I think it has been made clear today that it is a combination of local activities and national policies that have created a situation in which we have a crisis which is both natural, cultural and economic, and that there is no easy way of, you know, splitting out a responsible party. Much of this started happening in the early part of this century before we knew better, while we had different values, and while some of the decisions may have been the best at that time, they are not necessarily the best decisions or policies to continue to pursue. This is a responsibility challenge, not necessarily a blame exercise, but it is an induced crisis. I think that has been made clear as well. Naturally this coast is a dynamic coast. Obviously we would have land loss but we would have land building. Since the turn of the century we have lost a million acres of our coast and we continue to lose. It is going to require a committed national response. I don't mean just a Federal response, I mean a national response that includes Federal, state, local, private and public because interests that affect all are concerned. You heard that from Mayor Morial as well.

We believe that the approach taken by H.R. 701 in at least, you know, putting forth the coastal impact issue is preferred over H.R. 798, at least as we understand it to be written at this time. However, we do believe that it does need to be refined, and we understand that efforts, you know, are underway and we would support those. Specifically, we believe for this initiative to work it must pursue a partnered approach, which is again national in scale. We don't believe that this is just a program—it is going to involve com-

bining the authorities that Mr. Westphal indicated earlier. It is going to require the combining of authorities for other agencies and it is going to require a commitment of new resources. As Ms. Sarthou just pointed out, we believe that instead of creating a whole new planning infrastructure, we need to build on those planning efforts that have already been undertaken. In Louisiana, we have quite a few. We have NEP programs, we have Coast 2050, we have things that have involved communities at all levels, and more importantly engage Federal partners on a day-to-day basis, not merely in a remote, you know, sign-off capacity. That is also the case in places like the Everglades and many other coastal areas in the country. So we strongly urge that we not compete with those works that have been done.

In order for it to work, we don't believe it can prove new incentives for off-shore oil and gas development, not should it be a vehicle for expanding moratorium. That is not the purpose of this bill. This is not a policy bill, this is a responsibility bill. It can't be just a handout. I don't think we are asking for a block grant with no oversight or accountability. I don't know of a local government that prefers that option. We do not want a tobacco settlement situation, we want things which can go into problem solving immediately.

For it to work, it cannot wait. We have a situation where we are losing—as Speaker Downer mentioned this morning, we are losing as we speak. Even if we were to stop all development, all oil activity, all navigation tomorrow, the crisis would continue. We would lose, again, a continued 25 square miles each year. So the question really is not how to do this—it should be how to do this, not should we do this. This is a national undertaking, and I believe we will be judged by history very, I guess, sternly if we do not take this challenge up.

Thank you.

[The prepared statement of Mr. Davis follows:]

STATEMENT OF MARK DAVIS, EXECUTIVE DIRECTOR, THE COALITION TO RESTORE COASTAL LOUISIANA

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 Senate 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 Young's and Representative Miller'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. We strongly believe the best way of dealing with the incentive concern is to ensure that there are no incentives created. This initiative is not the place to debate our nation's policies on incentives or moratoria. It is the place to craft solutions to impacts that have already been loosed as a result of the existing and historical mineral development activities and policies. 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 percent of the nation's coastal

wetlands and 40 percent 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 percent of the nation's coastal wetlands and 40 percent 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 benefited 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 percent leased and its 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 sheet-flow 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 the 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 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 benefited 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 harm's way, encourages more destructive impacts, or becomes essentially a gen-

eral 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 plans, 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 the Representatives Chris John and Billy Tauzin and the other members of Louisiana's delegation—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.

Mr. TAUZIN. Thank you very much, Mr. Davis.

Let me first ask a general question and get your comments on it. It is often said if you don't read about it in the Washington Post in Washington it is not really happening, at least to Members of Congress, you know, and for that reason, when the Chesapeake became a topic of conversation in the Washington Post, the Chesapeake suddenly got a lot of attention. I am not decrying that, I am glad it did. You know, I think the Chesapeake is—I am sure you all agree, is an enormous national resource and preserving it and protecting it from the damages it was suffering and continues to suffer is critical.

I think it was helpful to have the new head of the EPA come out of the state of Florida, that, you know, Florida got such attention in the Everglades. I am not saying that is bad. I think Carol Browner was an instrument of great, you know, good and successful, you know, arguments for the Everglade program.

If I am right about that, obviously we are at a disadvantage. We have a huge ecological disaster occurring off the coast of Louisiana that does not get written about in the Washington Post frequently. We do not have the head of the EPA, you know, daily reminding people about the problems that she personally encountered as head of her own state agency with the Everglades. How do you help us overcome that? Tell me if you think it is a problem, and if it is a problem, how do we overcome it? Obviously getting our friends from New Mexico and, you know, Oregon to come and see the problems and witness the damage as they have today—and I know Tom and Peter have been tremendously impressed by what they have seen as part of it. What else can we do, and how bad is it, Mark?

Mr. DAVIS. I will take a whack at that Congressman. First of all, I think we have to continue to work on letting the rest of the nation know that again this is not a Louisiana asset or a Louisiana crisis. There is not a person in the United States who will not be affected in one way or the other as to what we do or don't do here.

Also, I think people need to understand better, and we need to do a better job I think of touting the Louisiana Delta and coast as unique national treasures. They are. There are as unique as the Grand Canyon and we sometimes are maybe more parochial than we should be in our outlook.

I think the other crucial thing that is different now than has been in the past is that I think you have to have a governor and state legislature who are prepared to lead and put their—I guess their bid on the table. You cannot wait for the national government to come and solve your problem. You have to recognize you have one to begin with before anyone else will come. That is what has happened in places like the Everglades. That is what happens in the Chesapeake.

Mr. TAUZIN. Is that beginning to happen here?

Mr. DAVIS. Yes. I think that is one of the good signs of having Governor Foster here this morning.

Mr. TAUZIN. And Jack Caldwell, too.

Mr. DAVIS. Jack Caldwell having the Coast 2050 plan. Again, I believe we have—you know, if not turned the corner, we can see the corner. And again, hearings like this today. But again, it is not a press conference kind of awareness. I think it is really going to require, you know, an actual campaign to show why this is an investment not merely an entitlement.

Mr. TAUZIN. Some of you are associated with national organizations, the Audubon Society.

Mr. KOHL. The National Audubon Society is focusing on Louisiana from the standpoint of the Atchafalaya Basin and we are very impressed that the—of the state's master plan for the Atchafalaya Basin and it has become a national priority for the National Audubon Society in giving support.

Mr. TAUZIN. If it just had a name that people could pronounce it might have gotten better attention.

[Laughter]

Mr. DAVIS. A lot of people do mispronounce it, but I think it does get attention. It is a large enough area. It is an area that a lot of people have come to Louisiana to see. It is, I think, appreciated by people outside the state. But I think mainly it shows that the state and the Federal Government is working together on an issue in a particular area to try to increase the conservation, the productivity in the area, et cetera. That, I think is a mechanism to get Louisiana back on the map, the national map. Take a unique area like the Atchafalaya——

Mr. TAUZIN. And highlight it.

Mr. DAVIS. [continuing] and highlight it, get it in national articles, show what the state is doing, all of the positive aspects.

Mr. TAUZIN. Keep that up. It is very important.

Let us talk about—before my time is up, I want to focus on something. We hear a lot about concern that—the proximity to production element in the current formula, it might encourage production. How can we on the one hand recognize that because of all of the pipelines, because of all the support activities, canals, the other transportation corridors we have built, and all of the use we have put to those facilities, which is, you know, not just building them, but as many witnesses pointed out, it is all the use you put to a canal system that eventually creates a lot of erosion and saltwater problems. How can you on the one hand ask the country to recognize that we have helped—at least accelerated, not cause a lot of this damage by being so open in terms of our willingness to develop the Gulf of Mexico for our nation's energy needs and at the same

time not have that part of the formula so that the money goes to where the needs are? If the needs—the damage is related to proximity to production and you want to direct the money to the place where the needs are greatest, how can you do that without connecting the two? If you do not, theoretically at least, the money goes to places where it is not really needed because there is not as much damage. How do you answer that?

Ms. SARTHOU. Well the concern is not that it not be linked to the historical uses of oil and gas. In fact, it is my understanding and from our prospective there is no objection to it being linked to the historical perspective of how much production has been done historically. The question and the incentive is created when you, in fact, link part of it to anything that may be leased or developed after the date of enactment.

Mr. TAUZIN. So you are more concerned prospectively——

Ms. SARTHOU. Yes.

Mr. TAUZIN. [continuing] as to how it functions?

Ms. SARTHOU. Yes.

Mr. TAUZIN. That is the concern we heard in Washington as well.

Ms. SARTHOU. That is the concern because historically—I mean we agree with everyone that the states that have taken the biggest brunt of the industry need to get some monies to affect——

Mr. TAUZIN. You have got to stay close to it, you cannot avoid that.

Ms. SARTHOU. Right. But it is a historical issue, it is not a perspective issue.

Mr. TAUZIN. You cannot leave, by the way, without mentioning—I know, Mr. Kohl, you mentioned—somebody said I should make the point about corruption in local governments. I can assure you I—I always thought we had a lot in Louisiana until I have gone around the country. We have got a lot all over America. We are not unique in that.

[Laughter.]

Mr. TAUZIN. We are unique in a lot of things but we are not unique in that respect. Those problems exist everywhere in America and I don't think we have any more or any less than Chicago or some other places.

Mr. KOHL. Well it is a point well taken. That is one of the reasons that I felt that there needed to be built into the bills accountability not only for the state of Louisiana but for other states. I thought——

Mr. TAUZIN. I understand that point. I just didn't want us to get a rap that wasn't due to all quarters of this country.

Mr. KOHL. I've lived here long enough that I've seen everything first hand here.

Mr. TAUZIN. Other members of the Committee. Mr. John.

Mr. JOHN. Yeah, just a couple of brief comments, Ms. Sarthou, to talk about—to expand on what Congressman Tauzin was talking about. I guess working on this piece of legislation from the national perspective and looking at the historic avenues that similar pieces of legislation have taken in the past a recurring poison pill has been drilling incentives. Those have really killed these types of legislation. So we took a calculated—calculated approach to this particular legislation to make sure that we went over and above to en-

sure that drilling incentives were not part of this bill. So I think that anyone who looks at this piece of legislation and uses that argument really reaches, because we have gone way, way out and beyond to try to make sure that the incentives were not there. And to be totally honest with you, when Shell Oil is contemplating a billion dollar investment offshore, I really do not think that a small part of OCS/CARA 1999 enters into their decision as to whether they are going to drill that well and Plaquemines Parish might get $17,000 from that particular piece of legislation. So that troubles me that that issue continues to surface time and time again, where I believe that you have to agree that we have gone over and above to try to squash that issue because we understand that historically that has been a problem. Could you comment a little bit about that?

Ms. SARTHOU. Yeah. In reading the legislation—in fact, the wording is rather broad. It talks about any revenues from leasing in many instances and specifically under the second two titles in relation to proximity. If you take certain situations, such as there is the fight now over whether Florida will remain in the moratorium. There are 65 leases already held in the offshore waters off of Florida. The citizens of Florida are very concerned that the titles of this bill could be used by persons already holding leases in the waters off of Florida as a basis to pressure coastal cities or communities to support what they would otherwise resist because the resistance in Florida to oil and gas drilling has always been that they get no revenues, therefore why should they risk their coast when in fact they would get no income source to offset anything attributable——

Mr. JOHN. I think that is a big reach.

Ms. SARTHOU. Well, I mean, I have read the legislation and I feel that that is the way it is written.

Mr. TAUZIN. I can solve this quickly. The authors have already agreed to use the Title I language in Title II and III. That will solve your problem.

Ms. SARTHOU. Right, that would solve the problem.

Mr. TAUZIN. Mary Landrieu was quoted in the Times Picayune yesterday as saying the same thing, that the Senate bill, as well as our bill, we have really tried hard to make it neutral on that question and the concerns raised in Washington, that the language was not used in Title II and III have been taken seriously. Mr. John, Don Young and I have already agreed to use the same language in the other two titles. That may solve the problem for you.

Ms. SARTHOU. I think that would probably solve largely the problem.

Mr. TAUZIN. Thank the gentleman for yielding.

Mr. JOHN. Okay.

Finally, I need to ask Ms. Sarthou one more question. You mentioned in your testimony that the revenues should be limited to the leases in the Gulf of Mexico. Do you believe that that is fair, first, and second; why should the revenues that will be generated to fund nationwide programs be limited in origin only to the Gulf of Mexico?

Ms. SARTHOU. That is not what I meant by my testimony. What I meant by my testimony was any revenues from existing drills. In other words, existing oil and gas production is fine. The problem

is prospective oil and gas development risks other communities or coastal communities and their environment and that troubles us. But as Mr. Tauzin has said, that may in fact be solved by the language that you are now proposing to add to your bill.

Mr. JOHN. Right.

Ms. SARTHOU. I don't believe, and I never have, that the oil and gas developed in the state of Louisiana and in Texas should go to other states to fund what they are doing. I mean, I really believe that we need coastal impact——

Mr. JOHN. I am glad you clarified that because there are four different proposals out there and this legislation has a long way to go. We are going to integrate these pieces of legislation in this.

Finally, if I may, Mr. Kohl, I am glad you had the little conversation with Congressman Tauzin because I found your comments a little offensive about the corruption of Louisiana government and local governments. I am glad that you recognize that this is just not unique to us because I did find that very offensive.

Mr. KOHL. Well, I made the point mainly because of my experience with Federal revenue sharing funds here in the coastal parishes and the abuse that was—during the—those—at that time.

Mr. JOHN. And that in your eyes was unique to Louisiana, that that did not happen amongst other states and local communities?

Mr. KOHL. I have lived in Louisiana now for 35 years, so I have observed mostly locally. I have not traveled that thoroughly and lived in other areas to know whether or not the abuses are of the same standard that we have here in Louisiana. All I am asking is that we recognize that abuses could take place and build into the bills a way of making sure that the money, the 50 percent that would be allocated to the local governments, that there be some accountability. I would even suggest putting that money in a trust fund since we are looking at only—probably only 10 years worth of money coming from the OCS. That money then hopefully would last longer than 10 years, be stretched out, because—as the decline in production takes place. But in that process, there could be accountability built in. I am just afraid that the windfalls, no matter what state, when it is—millions of dollars given to a local parish, that there is going to be abuse. I think in forming these bills that that should be built in. If it is, I withdraw my criticisms.

Mr. JOHN. Thank you, Mr. Chairman.

Mr. TAUZIN. Any other member of the Committee?

[No response.]

Mr. TAUZIN. Let me conclude by thanking you and urging you to do that thing I tried to focus on at the beginning. If we are going to be successful, we have to obviously work out any, you know, lasting concerns that we have and we are going to try to do that. I think I made that clear. But we also have to bring together an awful lot of people in this country from a lot of different perspectives. We are getting criticized on the right because our bill in the eyes of some does not protect private property enough, allows for too much acquisition of lands in western states, which 80 percent are already owned by the Federal Government in many cases. And we are being criticized somewhat on the left by not being environmental enough in the bill or, you know, careful enough to make sure the money is used for the purpose it—we are getting a lot of

heat from both sides and if we are going to have a critical mass at the center that is going to pass this, we need two things. First of all, we need to resolve these outstanding concerns you have. Chairman Young has asked me to ask you all again to be as open minded as you can and respect the fact that we have got to balance a lot of votes before we get a critical mass to pass this and to find the money to fund it, which is going to be the second critical mass. So please work with him and his staff and with us and see if we cannot resolve lasting concerns to bring our bills together because Mr. Miller is an important player here and we want him on board. We want to have a bill that we can all support at the end.

Finally, and probably the most important thing, everything you can do to make this into a national issue for us is critical. Everything you can do to make Americans recognize and wake up to the fact that this is, as you said, Mark, is not a Louisiana ecological disaster, this is a world disaster. This is the biggest land loss occurring anywhere in the world, on any coast of any country in the world, right here in Louisiana. And unless Americans recognize how awful it is—because they don't read about it in the Wall Street—I mean in the Washington Post every day, we are going to have a hard time getting this through. The good news I want to tell us is, the President has expressed some very positive things for our effort. When he came down to Louisiana to visit Ft. Polk, he had some very good comments to make to our delegation members on board with him. The bad news is this Kosovo thing. Finding the money is going to be tough. If we are divided it is not going to happen. We all have to be part of this plan.

Again, thank you. My compliments to your testimony. As I have said, all of it is part of our record and I think it will enhance the progress of the bill. Thank you very much.

Our last panel will be assembled. They will include the Honorable Willie Mount, Mayor of the City of Lake Charles, Louisiana which is a major community in Chris John's district; Mr. Paul Davidson, Executive Director of the Black Bear Conservation Committee out of Baton Rogue who, by the way, is doing a fabulous job of bringing the black bear back in Louisiana. I want to thank you for that. Mr. Ronald Anderson, President of Louisiana Farm Bureau; Ms. Patricia Gay, Executive Director of the Preservation Resource Center; Randy Lanctot of the Louisiana Wildlife Federation, Baton Rouge and Mr. Clifford Smith, President of T. Baker Smith and Son of Houma, Louisiana. Clifford, what is your official title so I can have it in the record?

Mr. SMITH. Member of the Mississippi River Commission.

Mr. TAUZIN. Member of the Mississippi River Commission. A presidential appointment to that very important commission.

Ladies and gentlemen, thank you for your patience today. We are going to give you again instruction that your written testimony is part of our record. You don't have to read it. If you would engage in a conversational discussion of your concerns and issues and comments. We will start with Mayor Mount. We welcome you all. Again, your testimony is welcome.

STATEMENT OF HON. WILLIE T. MOUNT, MAYOR, CITY OF LAKE CHARLES, LOUISIANA

Ms. MOUNT. Thank you.

Congressman Tauzin, members of the Committee on Resources, honored guests, ladies and gentlemen. It is my great privilege and honor to speak to you today as a representative of local government in a coastal area about the importance of the Conservation and Reinvestment Act of 1999 to coastal communities throughout our state and our nation.

The erosion of our fragile coastline is a national threat which is occurring incrementally and with deafening silence. As observed by Mark Davis in *No Time to Lose, The Future of Louisiana,* "Louisianians will face disastrous consequences as communities, jobs and entire industries are reconfigured and abandoned. Commerce and communities throughout the U.S. will incur billions in unforeseen costs."

Coastal communities, better than anyone, understand the serious consequences of the loss of the wetlands. While challenged with these effects to land mass, fisheries, wildlife and tourism, to mention only a few, coastal communities have been called upon to focus their resources on roads and other infrastructure to service the exploration industry because that industry has been so important to the economies of those areas.

This challenge points to the need for the assistance of the Conservation and Reinvestment Act. By resolving the oil and gas revenue distribution inequity nationally, the Conservation and Reinvestment Act provides for programs to address coastal restoration, provides funds to local governments to mitigate the impact of the offshore exploration and supports funding for the development of additional recreation to improve the quality of life in our cities and in our parishes.

The experts will be presenting to you today great detail about the economic and statistical effect of the loss of our coastline. They will tell you about the staggering amounts of infrastructure that we stand to lose as a result of wetlands loss. They will tell you about the economic effects of coastal erosion on fisheries, on wildlife, on tourism and on hurricane and storm impact and more. Allow me to add a human face to those statistics.

One of the most unique features of our great state is our marshes, wetlands and coast. Generations of local residents join people who take up temporary residency to enjoy fishing, hunting, bird watching and other recreational activities in a habitat that is unlike any other. Louisiana truly boasts a natural setting unlike virtually anywhere in this nation or the world.

Yet the communities of our wetlands are seriously threatened by coastal erosion. For example, the residents of the Holly Beach area along Highway 82 in southwest Louisiana have the shoreline of the Gulf of Mexico at the highway as a result of coastal erosion. Let me say that again, despite the relocation of the highway and much reinforcement to protect its position, the edge of the highway is the shoreline of the Gulf of Mexico. That means that the highway is buffeted by every weather event that stirs up the Gulf of Mexico. Because the highway is the last natural ridge, or chenier as we call it, before the marsh, loss of the highway would lead to interior

marsh loss. As a result, the communities are facing relocation because their hurricane evacuation route as well as their means of conducting everyday business will be lost with the loss of the highway. While the economic loss of communities is overwhelming, the human loss is even more calamitous.

Let us look at another part of the state. The village of Cocodrie in Terrebonne Parish is entirely surrounded by marsh and there is no hurricane protection for the area. Home to recreational and commercial fishing alike, Cocodrie is also the home to the Louisiana Universities Marine Consortium, a 75,000 square foot marine center with a replacement value of $24 million. Cocodrie has a valuable and unique contribution to make to our state, our nation and our world. The experts predict that by 2050 over 55 percent of the marsh north of Cocodrie will be gone along with 65 percent of the marsh to the east; 35 percent of the marsh to the west and south will have turned to open waters. Should the community have to relocate, the economic impact of the infrastructure loss would cost up to $53 million according to the Coast 2050 study. But even more importantly, our people, our state and our nation will have lost a precious and unique area forever.

Add to those communities the risk to numerous other areas in our state such as New Orleans and South Lafourche Parish, and you see the potential economic, social and human toll to communities at immediate risk as well as neighboring parishes, our entire state and nation.

And the looming concern is that the human loss in the coastal parishes may be repeated over and over again, inching further and further inland, if the loss of coastline is not reversed. The effects are progressive and already are impacting areas some 100 miles inland. Neighboring communities such as ours are currently experiencing the effects on such features as transportation and flood and drainage capacity which depend heavily on the existence of the wetlands.

Or as the Coast 2050 report states. "The opportunity now exists to slow the loss of the wetlands, which will preserve the natural system while at the same time help these communities to continue to exist. It is a wiser decision to save wetlands rather than to move communities or replace that infrastructure." The experts are telling us what we know intuitively, that sustaining and preserving our wetlands is crucial to the future of all our communities in Louisiana.

Ladies and gentlemen, the Conservation and Reinvestment Act of 1999 is about fairness. It is about fairness to our coastal communities and parishes; it is about fairness to our state and other states to receive a fair share of the offshore revenues; it is about fairness to our people; and it is about fairness to the continuation of a way of life that is unique and precious to our state and our country. Thank you for your favorable consideration of this Act.

[The prepared statement of Ms. Mount follows:]

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Mr. TAUZIN. Thank you very much, Mayor Mount. I know that you have a schedule to keep and I am going to interrupt and allow members who would like to dialogue with you——

Ms. MOUNT. Thank you.

Mr. TAUZIN. [continuing] and I know your own Congressman, Chris John, would like to do so. I am going to recognize him right now.

Ms. MOUNT. Thank you.

Mr. JOHN. I am going to be very brief. Thank you for your patience, Mayor, and thank you for putting a human face, as you mentioned, on to this testimony with the mention of Highway 82. Let me say it to reinforce it one more time. LA 82 is the barrier island, the last defense from between the Gulf of Mexico and a huge resource, a marsh resource that is home to birds and bird watchers and alligators and ducks and fish and everything else. So it is a real critical situation down there. Thank you very much for coming and sharing those thoughts with us.

Ms. MOUNT. Thank you Congressman John.

Mr. TAUZIN. Any other member of the Committee?

[No response.)

Mr. TAUZIN. Mayor, we thank you very much. I know you have to keep a schedule. We appreciate your testimony, and as I said, it is all part of the record now.

Ms. MOUNT. Thank you. I appreciate the opportunity.

Mr. TAUZIN. We are pleased to welcome our black bear man, Mr. Davidson, to the Committee. By the way, I just saw a program on CNN on Teddy Roosevelt. I learned the teddy bear was named after the black bear here in Louisiana.

Mr. DAVIDSON. That's right.

Mr. TAUZIN. A little cub bear that he spared on a hunting trip or something. Mr. Davidson.

Mr. DAVIDSON. Maybe we will hear more about Teddy Roosevelt coming back down to go bear hunting, but it is a different kind of hunting, in a few months. We will see how that works out.

Mr. TAUZIN. That is right.

STATEMENT OF PAUL DAVIDSON, EXECUTIVE DIRECTOR, BLACK BEAR CONSERVATION COMMITTEE, BATON ROUGE, LOUISIANA

Mr. DAVIDSON. I would like to express my thanks to this Committee for allowing me to give my thoughts on these very important legislative initiatives and thank Chairman Young and Congressman Miller for their leadership in working to find a mechanism to conserve our nation's natural heritage.

My name is Paul Davidson and I am Executive Director of the Black Bear Conservation Committee which is a diverse coalition of interest representing conservation organizations, timber and agri-

cultural interest, state and Federal agencies and several universities working to restore the threatened Louisiana black bear to its historic range in Louisiana, Mississippi, southern Arkansas and east Texas. Both H.R. 701, the Conservation and Reinvestment Act of 1999 and H.R. 798, the Permanent Protection for America's Resources 2000 Act have the potential to rank with the most important conservation initiatives in America's history.

I will start by stating that I have never seen the natural resource management community as excited about any proposed legislation as they seem to be about these. The possibility of a stable funding mechanism for the land and water conservation fund is a sound initiative that is long overdue. As a native of this great and beautiful state of Louisiana, I am tired of dealing with the negative environmental impacts of outer continental shelf oil and gas without any compensation. We deserve compensation and mitigation for these adverse impacts. It is only fitting that some of this money be used to mitigate the damages to our coast.

I am concerned about some of the possible restrictions associated with the funding for Land and Water Conservation Fund. Prioritization of land acquisition should be based on sound science, both biological and social, not politics. To restrict acquisition to land in and around existing Federal properties will mean that many biologically, socially and economically significant areas cannot be protected. Flexibility is essential.

Based on my experience with the federally listed Louisiana black bear, I am excited that we are finally looking at incentives for private landowners willing to manage for listed species. Incentives, especially in the South, where 90 percent of the forested habitat is privately owned, can go a long way in taking the conflict and controversy out of endangered species. When Congress established the Wetland Reserve Program in the 1990 Farm Bill it created an incentive for farmers to protect and restore farmed wetlands. Over 100,000 acres—a little over 113,000 to be exact—of nonproductive farm land has been enrolled in WRP in Louisiana since 1992. In northeast Louisiana where there exists a population of black bears, landowners wishing to enroll their property in the Wetlands Reserve Program are given extra points toward their ranking if their property is near occupied habitat of black bears. The bear, even though it is federally listed, is perceived as an asset to the property owner. Landowners in that part of the state embrace our efforts to restore bear populations and are actively involved in our work. By contrast, in south central Louisiana in Congressman Tauzin's district where another bear population exists there is no real need or incentive to enroll in WRP, so we have not been able to create a positive attitude associated with bears. Landowners have fears, and legitimate ones, of government regulation and have a total lack of trust in the Fish and Wildlife Service.

This is a great example of an incentive that has worked. The Wetland Reserve Program is the perfect example. If we can mimic that with the Endangered Species, we are going to do it and we are going to do it right. I have in my written testimony some other examples but I will forgo those to try to expedite this.

The prospect of sending more money to the states for fish and wildlife conservation has agencies buzzing. State wildlife agencies

currently get the bulk of their Federal funding from Pittman/Robertson and Dingle/Johnson programs. These are dollars based on the sale of hunting and fishing licenses and are generally used to fund programs to improve hunting and fishing opportunities. This new source of money comes from a broader base of taxpayers, so should be used in ways to work for all the stakeholders. For efficiency and accountability we need a comprehensive plan from each state that shows how these monies will be spent. Those states with strong science-based landscape scale plans can identify areas that need protection and then can effectively prioritize projects and fund them in ways that give the taxpayer the most for their money. I think that each state agency needs a coordinator for this funding and that there be a network—a national network in place where these coordinators can communicate with one another. There are many opportunities for major projects that cross political boundaries. Cooperative projects among two or more states should be promoted and pooling resources should make for a bigger and hopefully better project.

Dr. Wentz mentioned some of the projects that are ongoing involving state, Federal agencies, private landowners, Partners in Flight, some other organizations. There are some conservation initiatives going on right now—Ducks Unlimited is a major partner in those—to look at neotropical migratory birds priority conservation areas and we have met with these people. We have now put the highlighter on the maps on the wall to tie these priority areas together to provide corridors for bears to move back and forth. So we believe that there are some major conservation projects and some major initiatives in this region that are as progressive as any conservation initiative in the world right now. Ten years ago, you know, if you would have said it could work I would say no, but right now we have enough people working together, private landowners, large and small, are major partners in this and that is the key. Like Dr. Wentz said, the private landowner is the key to success in conservation in the South.

Mr. TAUZIN. What happened to that Florida bear that visited Baton Rouge, Paul?

Mr. DAVIDSON. He went back home.

Mr. TAUZIN. He went back home?

Mr. DAVIDSON. I think they took the collar off him when they got him back to Florida so they would not know where he went.

[Laughter.]

Mr. TAUZIN. I am pleased to welcome Mr. Ronald Anderson, President of the Louisiana Farm Bureau.

[The prepared statement of Mr. Davidson follows:]

STATEMENT OF PAUL L. DAVIDSON, EXECUTIVE DIRECTOR, BLACK BEAR CONSERVATION COMMITTEE

I would like to express my thanks to this Committee for allowing me to express my thoughts on these very important legislative initiatives and thank Chairman Young and Congressman Miller for their leadership in working to find a mechanism to conserve our nations natural heritage. My name is Paul Davidson and I will give the perspective of a biologist and conservationist that has for the past twenty years worked on natural resource management issues.

I have had the privilege of working for an organization called the Black Bear Conservation Committee for the past seven and a half years. The Committee is a diverse coalition of interests representing conservation organizations, timber and agri-

cultural interests, state and Federal agencies, and several universities working to restore the threatened Louisiana black bear to its historic range in Louisiana, Mississippi, southern Arkansas, and east Texas. Our experience in working with the diverse stakeholders in the natural resource arena will influence my statements this morning.

Both H.R. 701, the "Conservation and Reinvestment Act of 1999" and H.R. 798, the "Permanent Protection for America's Resources 2000 Act" have the potential to rank with the most important conservation initiatives in America's history.

I will start by stating that I have never seen the natural resource management community as excited about any proposed legislation as they seem to be about these. The possibility of a stable funding mechanism for the Land and Water Conservation Fund is a sound initiative that is long overdue. And as a native of Louisiana, I, as well as many others from this beautiful state, are tired of dealing with the negative environmental impacts of Outer Continental Shelf oil and gas operations so that places like Disneyworld can stay lit up like a Christmas tree. We *deserve* compensation and mitigation for these adverse impacts.

I am concerned about some of the possible restrictions associated with this funding. Prioritization of land acquisitions should be based on sound science, both biological and social, not politics. To restrict acquisition to land in and around existing Federal properties will mean that many biologically, socially, and economically significant areas cannot be protected. We should work to get the most for our money, but with these restrictions, we will miss countless opportunities to get the best deals and protect the best habitat. Flexibility is essential, not restrictions.

We also need to be able to respond quickly when opportunities become available. We see numerous potential acquisition opportunities missed because the landowners are not able to wait two or three years for Congress to appropriate the money to buy their property.

Based on my experience with the federally listed Louisiana black bear, I am excited that we are finally looking at incentives for private landowners willing to manage for listed species. I think that we should also look at a mechanism to support those willing to enhance populations of "candidate species" as well. If we can do a better job of managing these species, populations will never get so low that they have to be listed. The lower the population, the more perilous the situation, and the less chance of recovery. The solution is to never allow the populations to get so low as to require listing. Incentives, especially in the South where 90 percent of the forested habitat is privately owned, can go a long way in taking the conflict and controversy out of endangered species issues.

In Northeast Louisiana, where there exists a population of black bears, landowners wishing to enroll their property in the Wetlands Reserve Program (WRP) are given extra points toward their ranking if their property is near habitat occupied by bears. The bear, even though it is federally listed, is perceived as an asset to the property owner. Landowners in that part of the state embrace our efforts to restore bear populations and are actively involved in our work.

By contrast, in south-central Louisiana, where another bear population exists, there is no real need or incentive to enroll in WRP, so we have not been able to create a positive attitude associated with bears. Landowners have fears, and legitimate ones, of government regulation and have a total lack of trust in the U.S. Fish and Wildlife Service. Much of this lack of trust can be attributed to poor communication between agency personnel and the local communities.

Common sense should tell us that landowners are not going to protect something on their property if it is not in there best interest to do so. If there are incentives that make managing for a given species an asset to the individual landowners, I think that we will see attitudes change very quickly.

When Congress established the Wetland Reserve Program in the 1990 Farm Bill, it created an incentive for farmers to protect and restore farmed wetlands. Over 100,000 acres of non-productive farmland has been enrolled in WRP in Louisiana since 1992. This has all been planted back to trees. This acreage will serve the needs of wildlife, but will also have positive implications on water quality, groundwater recharge, will reduce soil erosion and non-point source runoff, and reduce maintenance costs for drainage projects. These young forests will become economically viable in the future and can be a source of sustainable income for the landowner. Taking this acreage out of agricultural production also gives greater stability to farm prices.

This is a great example of an incentive that has worked. It is popular with landowners, conservation and environmental interests, as well as financial institutions. It is a win-win scenario.

The same can be done with endangered and threatened species. We just need to provide the incentives for private landowners so that it is in their best interest to

protect these species. This will be a habitat issue. For example, the federally listed red-cockaded woodpecker prefers longleaf pine forests with mature trees that are 80 years old or older. Less than 4 percent of the historic longleaf pine ecosystem remains, so it is easy to understand why the woodpeckers are in trouble. Conversion of historic longleaf pine stands to faster growing slash and loblolly pines have eliminated woodpecker habitat. Incentives for landowners to plant and maintain longleaf pine stands will have a beneficial impact on woodpeckers, as well as other plants and animals indigenous to the longleaf pine ecosystem. This can also be economically advantageous to the landowner as longleaf pine timber is some of the most valuable in the southeastern United States.

The incentives can be in the form of tax breaks, mitigation points, cash payments or any other mechanism that provides the necessary incentive. I think that flexibility is the key. A wealthy individual may be more inclined to participate for a tax break. Others may want cash. Some may want to form a mitigation bank for the species and collect money from others who want to convert habitat elsewhere.

With the proper incentives, I believe that the controversy over endangered and threatened species can be turned around. But the program has to be properly designed and, of course, funded appropriately.

The prospect of sending more money to the states for fish and wildlife conservation has agencies buzzing. It is exciting for all of us in the wildlife management business. But we need to be very careful in how this is done. In other words, I think a plan is needed.

State wildlife agencies currently get the bulk of their Federal funding from Pittman-Robertson and Dingall-Johnson/Wallup-Breaux programs. These are dollars based on the sale of hunting and fishing licenses and are generally used to fund programs to improve hunting and fishing opportunities. This is as it should be.

But this new source of money comes from a broader base of taxpayers so should be used in ways to work for all the stakeholders. Many Americans spend millions of dollars annually in pursuit of non-consumptive outdoor experiences like bird watching, camping, hiking, canoeing, and other wildlife viewing. Their needs should be addressed as well.

One of the realities of dealing with state agencies is that every four years or so the leadership changes, depending on who gets elected governor. So the direction and leadership during one administration can change 180 degrees when a new administrator take charge. Programs initiated by one administration, which may have consumed millions of taxpayer dollars, can be completely derailed by the next administration focused in a different direction. This is not efficient use of taxpayers money.

For efficiency and accountability, we need a comprehensive plan from each state that shows how these monies will be spent. Those states with strong science-based, landscape scale plans, can identify areas that need protection and then can effectively prioritize projects and fund them in a way that gives the taxpayer the most for their money.

I think that each state agency needs a coordinator for this funding and that there needs to be a national network of these coordinators so that they can communicate with each other. There are many opportunities for major projects that cross political boundaries. Cooperative projects among two or more states should be promoted. Pooling resources should make for bigger and hopefully better projects.

There are ongoing programs in the Lower Mississippi River Valley that are focusing on the habitat needs of neo-tropical migratory birds and black bears and developing plans to enhance populations of both by partnering to promote habitat protection and enhancement, corridor development, reduction of fragmentation, and coordinating activities over the entire ecosystem. Bears and songbirds require expansive areas of suitable habitat to thrive. Biologists can use them as a tool to focus on the landscape and address habitat needs throughout the ecosystem. All other species, game and non-game, plants and animals, as well as humans, are the beneficiaries. The needs of local communities are addressed as well as the needs of the species of focus. No plan will work without the human dimension factored into the equation.

State and Federal agencies, conservation organizations, the academic community, as well as private landowners are all active participants. These pro-active efforts will bear fruit because the resources are being pooled and input is solicited from all the stakeholders. These types of projects should be encouraged with this new funding. This will require coordination and cooperation among the different state agencies but the potential rewards will be worth the effort.

There might even develop a sense of competition from the various regions of the country where partners in one region work to develop better and more beneficial projects than those in other regions. Cooperative projects in the South like the bear

and songbird initiatives are cutting edge conservation biology, efforts that are as progressive as any conservation program in the world.

In conclusion, I believe that we have a historic opportunity in the 106th Congress to pass legislation to fund programs that will help protect our treasured natural heritage into the next century. If there is anything that I or my organization can do to work with Committee staff to help move this process forward, please let us know.

Thank you again for your efforts and the opportunity to speak to you today.

STATEMENT OF RONALD ANDERSON, PRESIDENT, LOUISIANA FARM BUREAU, BATON ROUGE, LOUISIANA

Mr. ANDERSON. Thank you.

Good morning, I am Ronnie Anderson and I am a farmer from Ethel, Louisiana and I serve as President of the Louisiana Farm Bureau Federation. I would like to express our appreciation for the opportunity to provide your Committee with some of our comments.

From a general Louisiana perspective it is important that adequate resources are provided to mitigate the various impacts of outer continental shelf activities and to support sustainable development of renewable resources. Farmers are not only interested in the stewardship of natural resources but practice it every day. Farmers in our coastal area have even more interest and concerns with the loss of these resources. Simply put, coastal resources are vital to their survival. The bills provide the means for addressing many concerns related to coastal resource losses. Coastal wetland deterioration in Louisiana has been caused primarily by secondary effects of various channelizing projects. We believe Federal policy must address this issue and provide adequate long-term remedy to this significant cause of loss. Assistance to private landowners through incentives such as cost-share and technical assistance programs is preferred to the sometimes adversarial role of agencies that can discourage private wetlands enhancement programs. Hopefully, in part, these funds can be used in this manner to help the enhancement, restoration and maintenance of viable coastal wetlands. We have long felt that Federal policy should clearly establish that major losses of wetlands in coastal Louisiana are attributable to human activities benefiting national interests.

Both of these bills provide dedicated sources of funding for revenues derived from OCS lease and a variety of programs other than OCS impact assistance such as land acquisition, payment in lieu of taxes, urban parks, recreational development and wildlife enhancement.

Because farmers and ranchers own much of the remaining privately owned open spaces in the country, they are natural targets for having their land appropriated by government entities and various—for various purposes.

We are pleased that H.R. 701 contains such safeguards with respect to Federal—to the Federal component of Land and Water Conservation Fund amendments by limiting Federal purchases only to existing inholdings and to willing sellers. The bill prevents the runaway and uncontrolled acquisition of Federal lands that many people fear.

We believe the provisions that seek to further the partnership between private landowners and the government to enhance wildlife and its habitat are very important. The Farm Bureau believes

that an appropriate balance between the needs of species and the needs of people can be struck.

This whole program would enhance the conservation of species because it provides for their active on-the-ground management by affected landowners instead of current passive government management practices of easement and land use restrictions. At the same time it provides landowners with flexible management of their property. The HRP thus provides benefits to both species and landowner. This is the type of win-win scenario that is needed.

Farm Bureau policy supports addressing a number of natural resource issues through voluntary non-regulatory strategy that balances the cost benefits of regulations, economic growth and environmental quality.

I just skipped through and summarized some of these comments. The details are in the comments that are there. We appreciate the opportunity to be here. Our staff will be monitoring the progress and will be available to give you any more support information or anything that we might could do to assist in the formation of the legislation. Again, thank you.

Mr. TAUZIN. Ronnie, thank you. We have appreciated the enormous help your organization has given us in this process. We certainly continue a dialogue.

Ms. Patricia Gay, the Executive Director of Preservation Resource Center, New Orleans, Louisiana.

[The prepared statement of Mr. Anderson follows:]

STATEMENT OF RONALD ANDERSON, PRESIDENT, LOUISIANA FARM BUREAU FEDERATION

Good morning, my name is Ronald Anderson. I am a farmer from Ethel, Louisiana, and serve as President of the Louisiana Farm Bureau Federation. I would like to express our appreciation for providing this opportunity to provide your Committee with our views on the Conservation and Reinvestment Act and the Resources 2000 Act. I am appearing today on behalf of the Louisiana Farm Bureau Federation. Farm Bureau is an independent, nongovernmental, voluntary organization of farm and ranch families united for the purpose of analyzing their problems and formulating actions for solutions.

From a general Louisiana perspective, it is important that adequate resources are provided to mitigate the various impacts of Outer Continental Shelf (OCS) activities and to support sustainable development of nonrenewable resources. Farmers are not only interested in the stewardship of natural resources but practice it everyday. Farmers in our coastal areas have even more interest and concerns with the loss of these resources. Simply put, coastal resources are vital to their survival. The bills provide the means of addressing many concerns related to coastal resource losses. Coastal wetland deterioration in Louisiana has been caused primarily by the secondary effects of various channelization projects. We believe Federal policy must address this issue and provide an adequate long-term remedy to this significant cause of loss. Assistance to private landowners through incentives such as cost-share and technical assistance programs is preferred to the sometimes-adversarial role of agencies that can discourage private wetlands enhancement programs. Hopefully, in part, these funds can be used in this manner to help the enhancement, restoration, and maintenance of viable coastal wetlands. We have long felt that Federal policy should clearly establish that major losses of wetlands in coastal Louisiana are attributable to human activity benefiting national interests.

Both bills provide a dedicated source of funding from revenues derived from OCS leases for a variety of programs other than the OCS impact assistance such as land acquisition, payment in lieu of taxes, urban parks and recreational development, and wildlife enhancement. We will direct our remaining comments to those programs that involve land acquisition and wildlife habitat enhancement.

One section of the respective bills provides a dedicated source of funding to the Land and Water Conservation Fund which has been used primarily for the purchase of land by state and Federal Government agencies. This Fund has a Federal compo-

nent which provides money directly to Federal agencies, as well as a state component which provides matching funds for use by state agencies.

If funding is to be provided for Federal and state lands, we strongly urge that any such funds be first earmarked for repair and maintenance of existing lands before being authorized to purchase additional land. The Federal land management agencies have a significant backlog of repairs and maintenance to their lands that total billions of dollars. For example, the U.S. Forest Service issued a moratorium on further road building in the national forests because it could not keep up with maintenance of existing roads.

We should first use any funds to take care of the lands that we have. If our national parks are truly to be considered "American jewels," we would all be better served to have fewer jewels that are high quality and polished, rather than more lower quality, unpolished, and imperfect ones.

Because farmers and ranchers own much of the remaining privately owned open space in the country, they are natural targets for having their land appropriated by governmental entities for various purposes. In addition, condemnation of private lands by governmental entities results in the removal of those lands from the tax rolls, thereby increasing the tax burden for the remaining private landowners in the area. Farmers and ranchers have experienced numerous problems with different levels of government condemning their property for whatever purpose. We are naturally skeptical, therefore, about any bill or action that involves or authorizes the acquisition of land by government. We carefully review such proposals to ensure that there are adequate safeguards for private landowners.

We are pleased that H.R. 701 contains such safeguards with respect to the Federal component of the Land and Water Conservation Fund amendments (LWCA). By limiting Federal purchases only to existing inholdings and to willing sellers, the bill prevents the runaway and uncontrolled acquisition of Federal lands that many people fear. Individuals other than landowners are often affected and should be considered when acquisitions are being planned. Other bills such as H.R. 798 do not contain these safeguards. Unlike similar provisions in H.R. 798 and other bills, we feel that the conditions placed on the expenditure of Federal LWCA funds in H.R. 701 adequately protect private property interests.

The state component of the bill contains no such safeguards. Possibly the bill should be amended to incorporate the same conditions on the use of Federal matching funds for state purchases as exist for Federal acquisitions.

Also unlike H.R. 798 and similar bills, H.R. 701 provides that for any money collected above the maximum authorized for the LWCA, the excess shall be applied to the "Payment In Lieu of Taxes" program. This Farm Bureau-supported program, which seeks to make up for lost local tax base resulting from the presence of Federal lands by making payments for use in local areas, has been traditionally underfunded. We support the effort of H.R. 701 to give this program a needed shot in the arm. It is also important to recognize the impact of Federal acquisitions on adjacent landowners and agricultural interest in a given region. In many instances the Payment in Lieu of Taxes program has not made up the losses in tax receipts by local governing bodies and does not begin to replace the losses in economic activity.

We believe the provisions that seek to further the partnership between private landowners and the government to enhance wildlife and its habitat are very important. Privately owned farm and ranch lands provide a significant amount of the food and habitat for our nation's wildlife. The agencies must have the cooperation of farmers, ranchers and private property owners if the Endangered Species Act is going to work. Private landowners are clearly the key to the Act's success.

The Farm Bureau believes that an appropriate balance between the needs of a species and the needs of people can be struck. We agree with the basic goals of wildlife enhancement. No one wants to see species become extinct yet, at the same time, no one wants to see people lose the capacity to produce food or to be without essential human services. Given the proper assurances, farmers and ranchers can play a significant role in management of species on their property.

We are therefore very pleased that both H.R. 701 and H.R. 798 contain programs that acknowledge and seek to implement this partnership. Both of these programs contain positive elements. Both programs provide for agreements between agency and landowner to benefit species on their property. H.R. 798 provides a definite source of funding for its program, whereas H.R. 701 does not.

H.R. 701 would create the Habitat Reserve Program (HRP). The HRP is the type of program that provides those assurances and achieves that balance between species and landowner that is necessary for the well-being of both. Farm Bureau is committed to making this type of program work.

Under this section, farmers and ranchers would enter into contracts for the protection of habitat for listed species. The private landowner would be paid for man-

aging and protecting species habitat similar to the way that the Conservation Reserve Program works. This program effectively recognizes the public benefit that private landowners provide for listed species and responds in an appropriate manner. It also provides that the owner and the operator must enter into the agreement in cases where the operator of the affected land is not the owner. It encourages landowners to voluntarily provide needed management for species and habitat while at the same time allowing the landowner to productively use the land through payments received through the program.

This program will enhance the conservation of species because it provides for their active on-the-ground management by affected landowners instead of the current passive government management practices of easements and land use restrictions. At the same time, it provides landowners with flexibility to manage their property. The HRP thus provides benefits for both the species and the landowner—the type of "win-win" scenario that is needed.

In conclusion, we believe that H.R. 701 provides more overall balance than H.R. 798 and similar bills thus far introduced. We also believe that it offers the best chance of achieving any sort of consensus on the issues contained therein, so long as appropriate amendments as suggested in our testimony are incorporated. Farm Bureau policy supports addressing a number of natural resource issues through a voluntary non-regulatory strategy that balances the cost/benefits of regulations, economic growth, and environmental quality.

Again, we appreciate the opportunity to appear here today and provide our views. We look forward to working with the Committee on the issues we have addressed.

STATEMENT OF PATRICIA H. GAY, EXECUTIVE DIRECTOR, PRESERVATION RESOURCE CENTER, NEW ORLEANS, LOUISIANA

Ms. GAY. Thank you for the opportunity to speak to this important Committee today. I have been active in historic preservation for many years as a volunteer and professionally at the local, state and Federal levels. On behalf of the Preservation Resource Center of New Orleans and the Louisiana Preservation Alliance I urge you to include the Historic Preservation Fund at the level of $150 million as a critical element in any resource initiative. The National Preservation Program, which this fund makes possible, has been extraordinarily effective. In addition to preserving historic resources throughout our country, this modest program has also had an impact on the tragic sociological, economic and environmental problems that have plagued our country for several decades as a result of urban decline and suburban sprawl. Only H.R. 798 currently includes it. We are optimistic that the final bill will include the Historic Preservation Fund.

Today, I would like for you to think not only of historic and natural resources, I urge you to think of our towns and cities as an important national resource as well.

First, our appreciation to Congressman Tauzin and others for their efforts to establish funding for the protection of our natural resources, especially for the coastal wetlands of Louisiana. We support these efforts.

Just as we have been losing wetlands, we have been losing our towns and cities. This decline is a major factor also in the decline of wildlife, forest, wetlands and other components of our natural environment. Given the impressive effectiveness of preservation programs and given the problems that we have lived with for several decades now as a result of increasingly dysfunctional towns and cities, I have been astounded year after year that preservation programs are often overlooked, even ignored. For example, the National Town Meetings for a Sustainable America currently taking

place do not include the tried and proven programs such as Main Street, the Federal rehabilitation tax credit, historic district commissions. Even the relatively young city of Phoenix uses this strategy to maintain stability or sustainability, if you will, in older neighborhoods and many other preservation programs which have had so much success in reversing decline and creating sustainable communities.

Preservation programs have succeeded in spite of negligible funding primarily because they involve an irreplaceable resource that has substantial value because of the dedication of the volunteers and staff and because partnerships at the local, state and Federal levels that preservation programs involve. Perhaps most importantly, they succeed because these programs attract private sector investments. Please remember however that the problems still exists. These successful programs must be strengthened, not ignored.

Consider: Over $19 billion in private dollars has been invested in deteriorated and predominately abandoned historic properties and neighborhoods through the Federal tax credit for historic rehabilitation. Decline has been reversed in many urban centers across the country by private dollars stimulated by the Federal tax credit, the implementation of which this fund makes possible.

Consider: Over $8.6 billion private dollars invested in 1,400 towns and urban neighborhoods has brought them back to life through the National Main Street Program. In Louisiana the ratio of private dollars is 1 to 62. Since initiated in 1984 over $97 million has been invested in 24 Louisiana towns under 50,000 in population. The Historic Preservation Fund makes Main Street an exemplary local, state and Federal partnership possible throughout the country.

Consider: Over 2,500 local historic districts have been established throughout the United States creating a better quality of life and more stabilized environment for investment in historic districts by home buyers and business. In New Orleans many once declining neighborhoods that have been designated local historic districts are now thriving and have never looked better reflecting a greatly improved quality of life and economy. The historic preservation fund has been a support and a catalyst for local historic districts throughout the country. Recently suburban sprawl has begun to attract attention, even of Congress. Regardless of the findings of the recently released Congressional report on the subject, I submit to you that the significant resource of the towns and cities of America merit as much attention as suburban sprawl and urge you to take action by establishing annual funding for the Historic Preservation Fund which has made possible programs that have so effectively reversed their decline and that could be an effective tool for alleviating the problems of suburban sprawl.

We also submit an additional recommendation for your consideration. The creation of a new subcommittee of your Committee for an overlooked, invaluable and endangered national resource: the towns and cities of America. Such a subcommittee need not regulate or fund programs but would serve every constituency by providing coordination and utilization of existing Federal programs in

order to address more effectively the alarming decline of our towns and cities and the problems this has generated in communities everywhere. Thank you.

[The prepared statement of Ms. Gay follows:]

Marine Fish Conservation Network
Before the
House Resources Committee
on the
Impact of the Outer Continental Shelf Revenues to States

May 3, 1999

Mr. Chairman, the Marine Fish Conservation Network would like to submit the following statement. The Network has not taken a position in support of, or opposition to, any particular bill. However, we would like to encourage you to consider, and address, certain issues in whatever bill the Resources Committee reports to the House of Representatives.

First, the legislation should not provide financial incentives that promote offshore oil and gas development, including incentives based on proximity to new OCS leasing and drilling activities. Such incentives would undermine longstanding efforts by Congress and the Bush and Clinton Administrations to protect much of the coast from the adverse effects of oil and gas development, as well as unwisely encourage new leasing and drilling activities in sensitive frontier areas.

In addition, as you know, oil and gas production, the source of these revenues, often cause significant degradation to the marine environment. Therefore, a significant portion of the funds, at least $300 million, should be set aside to specifically fund programs and projects to conserve and protect the marine environment. Just making marine conservation programs and projects eligible for funding is not enough to ensure that adequate funds will be made available.

Of the monies set aside for marine programs and projects, the Network feels very strongly that at least $50 million should be earmarked for the collection of fisheries data. There is a persistent need for reliable fisheries data upon which to base fisheries management decisions. For example, steady and secure funding is necessary to ensure that we have reliable stock assessments. Funds should be allocated for such research programs in both state and federal waters. The Network also believes that these funds should be available to fund a national fisheries observer program. Observers are essential to monitoring and minimizing bycatch as well as collecting other important fisheries information.

We look forward to working with you, NMFS, and the councils to protect and conserve our marine environment. Thank you, Mr. Chairman, for allowing us the opportunity to submit these remarks on behalf of the Marine Fish Conservation Network.

REMARKS OF PATRICIA H.GAY, PRESERVATION RESOURCE CENTER OF NEW ORLEANS

On behalf of the Preservation Resource Center of New Orleans, founded in 1974, and at the request of Don Young, Chairman, Committee on Resources, U.S. House of Representatives, I am presenting testimony on the importance of including the Historic Preservation Fund at the level of $150 million as a critical element in the Committee's resource protection initiatives currently under consideration. Both bills before you today involve well over $2 billion annually in various categories for the important natural resources of our country, but only the *"Resources 2000"* bill includes the Historic Preservation Fund. I will speak about the extraordinary effectiveness of the national preservation program and how historic resources have been utilized to build a better future for all of our citizens. I hope to convince you that the national preservation program, which the Historic Preservation Fund makes possible, in addition to preserving historic resources actually also has an impact on the urgent sociological, economic and environmental needs that have plagued our country for several decades as a result of urban decline and suburban sprawl.

First, my organization wishes to express appreciation to Congressman Tauzin and others for their efforts to establish funding for the protection of our natural resources, especially for the coastal wetlands of Louisiana, and to urge committee support for this and all other aspects of resource protection being considered. There is ample testimony here today on this subject, and we agree on the need to address this problem with adequate funding. Among the many reasons for our concern is the loss of hurricane protection which diminishes in proportion to our diminishing wetlands. All of our communities in south Louisiana are threatened in several ways as we continue to lose our coastal wetlands.

In 1980 the Historic Preservation Fund was established at $150 million annually from Outer Continental Shelf revenues. (Please note that this would be the equivalent of almost $329 million today.) Since only about 25% of these revenues were ever appropriated in any year, the unappropriated balance in the fund is today over $2.4 *billion*. Given the extraordinary effectiveness of preservation programs, and given the incredible problems that we have lived with for several decades now as a result of increasingly dysfunctional towns and cities, I have been astounded, year after year, that preservation programs are often overlooked, even when there was an intent for funding as far back as 1980. For example, the President's Council on Sustainable Development is sponsoring "National Town Meetings for a Sustainable America" which do not include the programs such as Main Street, the federal rehabilitation tax credit and others which have had so much success in reversing decline and creating sustainable communities.

The National Preservation Act of 1966 must be among the most successful pieces of federal legislation ever enacted, especially when evaluating accomplishment in terms of cost. The Act was precipitated by a logical motivation of the federal government to protect its historic resources for future generations; it was also precipitated by the widespread destruction of the historic built environment

rampant since World War II, primarily through federal programs such as highway construction, urban renewal and public underwriting of suburban development that depleted urban populations. Preservationists everywhere rallied to the opportunity the National Preservation Act provided, to organize public and private efforts and programs at local, state and federal levels to save what remained of the historic built environment of our country. Since 1966, with minimal funding, results have been remarkable.

Here are some facts that illustrate the success of the national preservation program, which involves public and private partnerships at local, state and federal levels:

- **Over $19 billion of private dollars has been invested in deteriorated and predominantly abandoned historic properties and neighborhoods through the federal tax credit for historic rehabilitation:** Throughout the past four decades almost every town and city in the country has been losing population and experiencing economic decline. However, this alarming decline induced by public policy has been steadily and in many cases dramatically reversed over the years by this federal program which was initiated in 1976. Incomprehensibly proposed for elimination in "tax reform" efforts in 1985, salvaged by preservationists but indirectly greatly sabotaged by the 1986 tax law, tax credit usage proceeded to decline up to 75% - BUT 1998 reflects a rebound with 1036 projects approved for $2.08 billion in revitalization projects in one year. Please note that these projects reverse decline and contribute to sustainable communities, as well as preserve historic resources. *Louisiana has always been near the top in utilizing the federal rehabilitation tax credit, with a cumulative total of over $400 million invested to date. It is safe to say that New Orleans would be an economic disaster without the federal rehabilitation tax credit; fortunately the opposite is true, due to the many tax credit projects which our State Historic Preservation Office processes effectively and efficiently every year.*

- **Over $8.6 billion private dollars invested in 1400 towns and urban neighborhoods has brought them back to life through the National Main Street Program.** This incredible program since 1977 has generated 161,000 net new jobs and 43,800 new businesses, 48,800 building rehabilitations. *In Louisiana the ratio of public to private dollars is 1 to 62. Since Main Street initiation in 1984, over $97 million has been invested in 24 Louisiana towns under 50,000 in population (an arbitrary restriction by the State; the program is further limited by funding, causing the rejection of several qualified applications every year).In New Orleans, we would like to utilize this program in our many neighborhood commercial areas that have declined. A more adequately funded Historic Preservation Fund could help to make this possible.*
- **Over 2500 local historic districts have been established throughout the United States, creating a more stabilized environment for investment in historic districts by homebuyers and business.** As Mayor Menino of Boston says, "Just look around - people are on the streets - buildings are being

renovated - businesses have opened up..", and there are also surveys to back up the obvious. For example, in Georgia (as in other places where such surveys have been completed) historic district protection reversed decline and in most cases caused property values to increase. Establishing local historic district designation should be the first step to ensure sustainable revitalization in any older area. (Newer and non-qualifying areas should attempt to establish at least demolition review through another mechanism.) *In New Orleans, many once-declining neighborhoods (starting with the Vieux Carre, protected since 1936 by the Vieux Carre Commission) that have been designated local historic districts are now thriving and have never looked better, reflecting a greatly improved quality of life and economy. Others have forestalled the horror and destabilizing impact of rampant demolitions, and revitalization is slowly but surely in evidence. Four additional neighborhoods are asking to be so designated, yet funding is so inadequate for the commission staff that it has difficulty handling the 12 existing districts.*

Over the past 25 years there have been other preservation programs efficiently and effectively administered at local, state and federal levels. For example, in the 1970's the National Park Service administered a grants program through the state preservation offices, a program that was very short-lived, effective as it was. *In New Orleans, the PRC renovated its 1832 townhouse on Julia Row in the late 1970's with these federal matching grants. Thanks to this catalytic project, historic district protection and the federal tax credit, Julia Street is today one of the most exciting in New Orleans, full of apartment buildings, art galleries, shops and restaurants.*

You may not have thought, in your deliberations about the conservation of our nation's historic resources, that you have the opportunity to accomplish so much beyond the actual preservation of historic properties. Another example, and not the least in importance, is the impact on crime. From the book "Fixing Broken Windows" we are told of a survey conducted for the *President's Commission on Law Enforcement and Crime* in 1967, ignored until the 1980's, that "fear of crime was strongly related to the existence of disorderly conditions in neighborhoods and communities." Nothing more graphically announces a neighborhood as "disorderly" than abandoned buildings in disrepair. Please understand that by preserving our historic resources wherever meager resources are available, preservation programs have been successful in creating, among other things, more orderly neighborhoods and communities.

The cost of all preservation programs is minimal, and the leveraged impact remarkable, especially when compared to other local, state and federal government programs. Additionally, preservation programs continue to have an inspiring impact on citizens of all income levels and alleviate many socio-economic ills of the past several decades, such as crime and sprawl. I urge you to support the highly successful preservation program with annual funding of at least $150 million in the resource protection bills you are considering at this time.

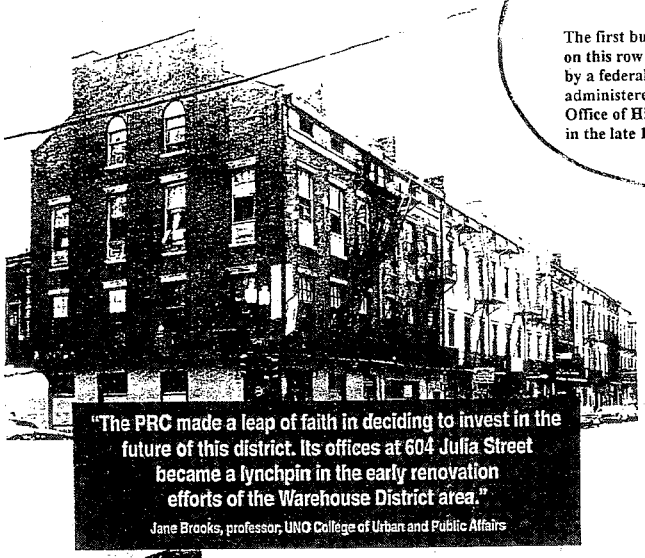
A neighborhood is never "too far gone" to save

Remembering Julia Row 25 years ago

Before photo by Susann Gandolfo
[illegible] by Laura Reiff

NOTE:

The first building renovation on this row was made possible by a federal matching grant administered through the State Office of Historic Preservation in the late 1970's.



"The PRC made a leap of faith in deciding to invest in the future of this district. Its offices at 604 Julia Street became a lynchpin in the early renovation efforts of the Warehouse District area."

Jane Brooks, professor, UNO College of Urban and Public Affairs

LOUISIANA DIVISION OF HISTORIC PRESERVATION
HIGHLIGHTS OF RECENT ACCOMPLISHMENTS
STATEWIDE

NOTE:

THESE SUCCESSFUL PROGRAMS ARE MADE POSSIBLE BY THE HISTORIC PRESERVATION FUND.

- Since January 1, 1998, our Historic Preservation Federal Tax Credit program has leveraged over $81 million dollars in private investment in Louisiana historic properties with a total of 77 new building restoration projects. Many of these are major projects such as the Maison Blanche Hotel conversion on Canal Street in New Orleans sponsored by Ritz Carlton.

- According to the Louisiana Department of Economic Development, $37,000 spent on renovating an existing building yields one construction job. Using this formula, it can be reliably estimated that these restoration projects created a total of 2,206 jobs in the Louisiana economy.

- Last fiscal year our Main Street Historic Downtown Revitalization program created 137 new jobs, recruited 55 new businesses, and leveraged a total of 59 building renovations in the 24 participating communities. In addition, we have awarded grant funds to add Crowley and Eunice to the state's Main Street network.

- Programs of the Louisiana Division of Historic Preservation are extremely cost effective. Last fiscal year the Division leveraged a total of 58.2 dollars of private investment in Louisiana historic properties for every dollar of federal/state investment.

- We are currently working on documentation to list the Gentilly Terrace area of New Orleans in the prestigious National Register of Historic Places as a historic district. When this is complete our 15 year goal of listing every major historic neighborhood in New Orleans in the register will be substantially complete. These listings make literally thousands of property owners and investors eligible for lucrative federal tax credits. They will also go a long way to leveraging the restoration in the city that constitutes Louisiana's most important historic treasure and tourist attraction.

From the
DIRECTOR

The Historic Preservation Fund provides revitalization tools for use regardless of income levels, providing for healthy diversity.

Patricia H. Gay, Executive Director
Preservation Resource Center of New Orleans

Finally: The Urban Middle Class as an Essential Element for Reversing Urban Decline

The recent Fannie Mae Foundation journal *Housing Policy Debate* (Volume 8, Issue 2) entitled "The Future of American Cities: Shaping a New Urban Diversity" consists of papers presented by a group of distinguished researchers and practitioners at the Foundation's Annual Housing Conference. The papers were produced "to review what we know about the importance of middle- and upper-income residents to a city's fiscal and social health and about potential strategies for making central cities more attractive places to live." Authors were asked to address the following questions:

1. Do cities really need middle- and upper-income residents?
2. Have some cities been more successful than others in retaining middle-income residents?
3. Is there a market for central-city living among middle- and upper-income households?
4. Can economically and racially mixed communities succeed?
5. What policies are needed for central cities to retain and attract middle-income residents?

The 230-page journal is highly recommended reading for anyone who cares about cities. Not only is the information important, it is the first publication of national note to examine the importance of the middle class in reversing urban decline. (The papers are opinions of the writers, not the Foundation.) The Foundation's mission is dedicated to "expanding housing opportunities for underserved families and individuals and enhancing the quality of life in their neighborhoods and communities throughout the United States." Certainly there are many reasons to reverse urban decline and rebuild urban populations, but even with an approach limited to low-income residents, who suffer the most from decline and would benefit the most from revitalization, the message is quite clear that citizens of all income levels are essential for establishing and maintaining viable cities.

In the introduction, Margery Austin Turner of the Urban Institute summarizes the answer to the first question:

"Advocates for the inner-city poor often oppose investments intended to attract and retain middle- and upper-income residents. They argue that cities should be spending their scarce resources to bolster economic opportunities and improve services for poor residents, many of whom are desperately needy. However, contributors to this issue (of *Housing Policy Debate*) present strong evidence that the loss of middle-class population fuels a downward spiral that ultimately hurts poor residents by shrinking the city's tax base and isolating them from the social and economic mainstream. In other words, cities need an economically diverse population to maintain their fiscal and social vitality and to afford adequate services for their neediest residents."

Even though major population losses of the 1960s and 1970s have slowed, in general no cases of significant net growth were found, and metropolitan jobs in center cities (as opposed to suburbs) have declined from almost 70% to 50%. Net population losses are greater in poorer areas, reinforcing the premise that a loss of middle-income residents feeds a self-perpetuating downward spiral. What we all know is more than true: this is a problem of great proportions. However, there is encouraging evidence that significant numbers of middle- and upper-income households do move into central cities, leading to the conclusion that there is a market for attracting residents back to the center city.

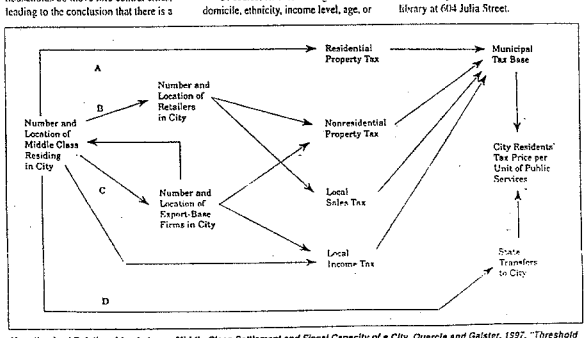
One of the papers includes fourteen case studies of stable, racially-mixed communities, fostering hope that, while these may be exceptions, diversity can be sustained and stability achieved with the aid of conscious efforts. Roberto G. Quercia and George C. Galster provide useful information, terminology, and methodology for better comprehension of the need for diverse incomes in urban areas and indicate how fiscal and social benefits are generated when the necessary threshold, or number, of middle-income residents is achieved.

Readers should be aware that in every city millions of public and charitable dollars are spent annually on low-income housing. Almost every program, whether public or private, combined or in between, has very low-income restrictions. The papers in this journal, published by a foundation dedicated to assisting low-income residents, indicate that the quality of life of these residents is unlikely to be improved, and the downward spiral unlikely to be reversed, unless the goal of rebuilding an urban middle class is pursued simultaneously. Three decades of spending in urban areas verify this.

Of course, all citizens, regardless of domicile, ethnicity, income level, age, or walk of life, need and are entitled to viable cities which can be enjoyed today and which provide the essential continuum of our civilization from past to future. We need to rebuild urban populations to reverse sprawl and better conserve our natural environment. We need to rebuild urban populations in order to restore once-thriving urban economies and to preserve our neighborhoods, institutions, streets, and irreplaceable historic built environment. We need to rebuild urban populations to prevent deterioration of older suburbs. And, what advocates for residents of deteriorated neighborhoods have rarely (if at all) acknowledged, we need to rebuild urban populations to combat urban poverty, violence, and despair.

Certainly the challenge to rebuild urban populations is great, but the publication of these views is encouraging. If further discussion of ideas and information presented in this journal could occur, and if broader coalitions could be created (not simply based on geography, as one writer suggests), success can be achieved. Simply reducing opposition to rebuilding urban populations would help greatly, which this journal will help to accomplish.

Note: Copies of *Housing Policy Debate* may be borrowed from the PRC library at 604 Julia Street.



Hypothesized Relationships between Middle-Class Settlement and Fiscal Capacity of a City, Quercia and Galster, 1997. "Threshold Effects and the Expected Benefits of Attracting Middle-Income Households to the Central City." Housing Policy Debate, Volume 8, Issue 2, page 413. Copyright Fannie Mae Foundation.

24 APRIL 1999 PRESERVATION IN PRINT

2000

Urban Observations

The twentieth century has not been kind to American cities. What have we lost? What can we learn from our historic communities? Where are we going in the new millennium? This series addresses these timely issues. Preservation in Print *welcomes your thoughts.*

NOTE:

THE HISTORIC PRESERVATION FUND ALLOWS PRESERVATION PROGRAMS TO REVERSE URBAN PROBLEMS CREATED OVER THE PAST FIVE DECADES.

Part three in series

What happened to American cities?

by Lloyd Vogt, architect, town-planner, and author

America's heritage is being dismantled in the name of PROGRESS. The change that has occurred in the 20th century has been greater than at any other time in history, and change continues to accelerate at an alarming pace. While it will be up to the historians of the future to determine the cause and effect of these changes, we experience the consequences every day.

TECHNOLOGICAL CHANGES

Although 20th-century technological changes have been numerous, the automobile has had the greatest impact on our cities and ultimately on our lives. While the car is obviously important, our love affair with the automobile has allowed it to govern w[illegible] we live, how we live, and how where we live lo[illegible]. Since the automobile has assumed such a dominant role, many of the necessary ingredients to create community have been lost.

SOCIOLOGICAL CHANGES

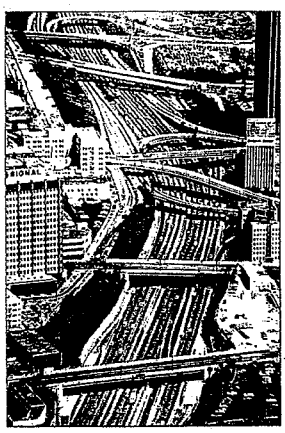
Sociological changes have accelerated in tandem with technological change. Advertising through mass media has greatly influenced the values of the American public. In fact, the concept of value has become confused—today packaging frequently costs more than the product packaged, and a gallon of bottled water costs more than a gallon of gasoline. Bigger has become better and convenience has become all important, regardless of the cost. Obsolescence is built into our material culture—our products are temporary, cheaper to replace than to fix. Thus, we aimlessly demolish our historic architecture and dismantle our heritage. Those involved in preservation are often considered obstructionists—standing in the way of the train of progress. America has fallen in love with the idea of the NEW.

We have become a mobile society, constantly moving to new places. Jobs relocate families from city to city, economic status relocates people to different neighborhoods, and people relocate for access to better schools for their children. This mobility facilitated the middle class flight to suburbia, resulting in great economic hardship to older cities. With the loss of the middle class, the tax base was eroded, creating a fiscal burden on a populace with less financial means.

IMPACT ON COMMUNITY

[illegible]ese sociological and technological changes have resulted in great physical change to our communities. A look back at communities at the beginning of the 20th century gives a clearer understanding of just how much has changed and the devastating effects these changes have had.

Pre-automobile neighborhoods in America, many of which are still viable, incorporated elements necessary to satisfy people's basic needs within walking distance in their immediate neighborhoods. There were grocery stores where people got to know the grocer, hardware stores and drug stores, newsstands, small clothing stores,



specialty shops, restaurants, a local bar, barber shop, and beauty parlor. The users as well as the shop owners lived within walking distance of the neighborhood center. People knew people, and they came to socialize as much as to buy. Their frequent interaction through shared facilities created a sense of community and consequently a sense of pride—people felt that the community belonged to them, and *they were a vital part of its vitality.*

Sometime during the 1930s and 1940s, these time tested principles of community began to be replaced. By 1960 suburbia had become the ideal, and Americans fled the cities in search of an idyllic idea of country living, made possible by the automobile. In the process of suburbanization, an entire culture abandoned the principles of community that had successfully evolved in its past. Regulations replaced community principles as city planners began the proliferation of insensitive zoning ordinances. Land use types were segregated—square miles were developed as exclusively residential, and shopping malls, schools, businesses, and parks were located at distances accessible only by the automobile. Developers standardized housing, packaged it, and arranged for rapid distribution. Every house had its two-car garage with an automatic opening device, allowing the homeowner to come and go without ever having to experience the environment as a pedestrian. *The car carried people home, television brought people inside, air conditioning kept them there, and porches vanished.*

Since there was nowhere for people to walk to, sidewalks were eliminated and bicycles became toys for children rather than means of transportation. Neighborhood shops disappeared, replaced by convenience stores set behind a sea of asphalt, dotted along suburban thoroughfares. Signs vying for the attention of speeding cars got bigger and bigger and higher and higher, and soon dominated the highwayscape as buildings became little more than backdrops for advertising.

Inner city communities were dismantled as elevated expressways sliced through older neighborhoods. Neighborhoods and historic structures were destroyed to make way for high-rise buildings and surface parking lots to meet the increased demand for parking. As cities grew to accommodate the automobile, they became inaccessible for those without the economic means to own a car, and irritatingly congested for car owners.

Change has made our 20th century world complex—overwhelmingly so at times—and it appears that society is yielding to this complexity. Unable to understand the forces that create change, we are losing hope of being able to influence the world around us, becoming passive spectators, never stopping to question how change will affect us. We have become desensitized: no longer demanding, nor expecting, our cities to be truly functional or beautiful. We accept mediocrity without question.

Bellwether
TECHNOLOGY CORPORATION

This series is underwritten by Bellwether Technology Corporation, a locally owned and operated Computer Land affiliate founded in 1980 to sell and service information systems for today's business market.

Historic District Landmarks Commission keeps up the good fight

Remembering what we once had...working to save what we still have

by Lee Dunn, HDLC architectural historian
photos courtesy HDLC

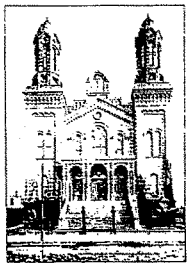
In the 1970s New Orleans lost some of its greatest architecture along St. Charles Avenue and in other highly visible districts. Despite the many victories of the HDLC and fellow preservationists since that dark decade, it's still evident that much work remains to be done.

The Preservation Resource Center was founded in 1974, but it was a full two years before New Orleans had any designated local historic districts or a regulatory agency to oversee preservation and renovation of our historic buildings and neighborhoods outside of the Vieux Carré.

For many years, historic buildings of landmark significance were demolished, especially along St. Charles and Jackson Avenues. In the early 1970s, demolitions increased to a frightening pace. The home at 2728 St. Charles Avenue was one of many houses demolished in 1972. Others included 3326 St. Charles and 5018 St. Charles, just to name a few. Often these demolitions were done as speculative real estate deals, in the shortsighted belief that the property would be worth more for future development without a historic building on it. In some instances the property then sat vacant for many years. A watershed example of speculative demolition in 1972 was the Isidore Newman House at 3607 St. Charles, designed by architect Thomas Sully in 1890. The large empty lot on the corner of Foucher and St. Charles remained vacant for *twenty-seven years!* Finally, in 1998 construction began on the site for the new Church of Latter Day Saints.

2728 St. Charles Avenue—one of many houses demolished on the Avenue in 1972—is now the site of townhouses (at the corner of Washington Avenue).

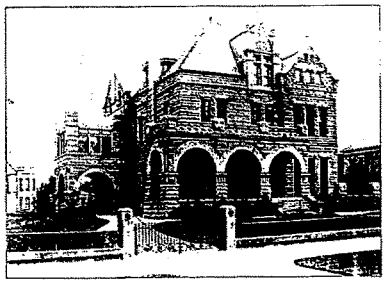
The St. Charles Hotel on St. Charles between Common and Gravier streets was demolished in 1974. For many years it was a surface parking lot. It is now the site of Place St. Charles.



Temple Sinai was razed in 1977 for the surface parking lot that now serves the K&B building on Lee Circle.

Although these rampant demolitions, particularly that of the Newman House, did prompt a demolition moratorium for St. Charles Avenue from Lee Circle to Carrollton Avenue in 1973, other demolitions continued. The famous St. Charles Hotel on St. Charles Avenue between Common and Gravier streets was demolished in 1974. This site also remained vacant for many years, until the construction of Place St. Charles in the early 1980s.

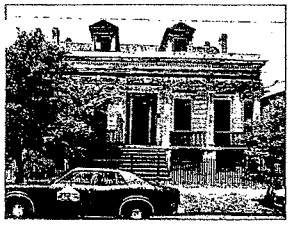
At long last, after years of hard work by determined preservationists, the New Orleans Historic District Landmarks Commission was officially created by ordinance in June of 1976. Mayor Moon Landrieu appointed Saundra Levy as the first director. Simultaneously, the first local historic districts—the Lower Garden District and the St. Charles Avenue Area District—were designated. Unfortunately, buildings continued to be lost. One of the first decisions of the HDLC was to deny the application by the Jackson Avenue Evangelical Church to demolish two houses next door to the church, 710 and 720 Jackson Avenue, for a surface parking lot. Due to the architectural significance of the buildings and the neighborhood's strong

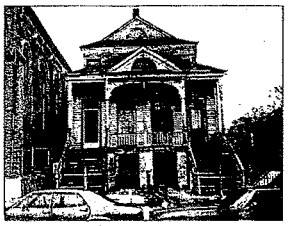


A watershed example of speculative demolition in 1972 was the Isidore Newman House designed by Thomas Sully in 1890. The lot at 3607 St. Charles Avenue (corner of Foucher Street) remained vacant for 27 years. The Church of Latter Day Saints is now being constructed.

NOTE:

The Historic Preservation Fund helps local commissions save the historic resources of our country.





The application by Jackson Avenue Evangelical Church to demolish two houses at 710 and 720 Jackson Avenue for a parking lot was denied by the HDLC but overturned on appeal to the city council and later the Fourth Circuit Court of Appeals.

opposition to the demolitions, the commission denied the application. Unfortunately, the decision was overturned on appeal to the city council. The Coliseum Square Association took the case all the way to the Fourth Circuit Court of Appeals, but on February 16, 1977, the court upheld the appeal and allowed the demolitions.

In June of 1977, the former Temple Sinai at 4032 Carondelet Street was nominated as a local landmark. This remarkable building had been designed by architect Charles Lewis Hillger as the first home of the city's oldest Reformed Jewish congregation. Its twin towers had been noted on city maps since 1870 and were described in 1969 as being "significant visual landmarks." Unfortunately, the city had already issued a demolition permit in February 1977. Demolition began on the first of July, and the HDLC quickly issued a stop work order. Less than two weeks later, Civil District Court Judge Thomas Early rescinded the stop work order and ruled that the demolition could continue. This magnificent and important building was razed for the surface parking lot that now serves the former KKB building. The twin towers were salvaged and now grace a building in Mid City near Canal Street on Bottinelli's Place.

While the occasional demolition still remains a problem, another serious threat to significant historic buildings has arisen. That threat is fire—accidental or deliberate. The house at 3005 St. Charles was a unique and elegant Second Empire style designed by Albert Diettel in the 1880s. After years of neglect, the owners applied for demolition. The HDLC denied the application, and the city council upheld the decision on February 3, 1984. Six months later, in August of that year, the irreplaceable house burned in a five-alarm fire. The site remains vacant to this day. In 1988 the designated local landmark at 1737 Jackson Avenue, another grand Second Empire mansion, burned to the ground. The building had been left vacant few years in a state of demolition by neglect. New construction now occupies this site.

Most recently, of course, the legendary Gambino House at 1418 Esplanade Avenue went up in flames in July 1997, despite repeated attempts to force the owner to properly secure the property or to sell it to an interested party. Just as the house was to be expropriated, it burned completely, in the heat of July, with no gas or electric service to the site. While arson is difficult to prove and seems nearly impossible to prosecute, one can only wonder at some of the coincidences that have occurred.

Despite the many victories that the HDLC and fellow preservationists have secured over the years, it is evident that much work remains to be done concerning outreach and educating all facets of the public about the importance of historic preservation and how it gives New Orleans a distinctive sense of place.

1737 Jackson Avenue, a grand Second Empire mansion, is one of many buildings cited for demolition by neglect and later burned to the ground. New construction now occupies the site.

1418 Esplanade Avenue went up in flames in 1997 just as it was about to be expropriated. The lot remains vacant.

© Frank Aarons

3005 St. Charles—The city council upheld the HDLC's decision not to allow the owner to demolish this Second Empire style home. Six months later the house burned to the ground. The site is next to the "Elms Mansion" catering business.

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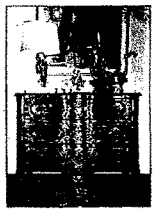

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PAST MEETS FUTURE

SAVING AMERICA'S HISTORIC ENVIRONMENTS

NATIONAL TRUST FOR HISTORIC PRESERVATION

THE URGENCY OF URBAN PRESERVATION

Patricia H. Gay

IN 25 YEARS THE URGENCY OF HISTORIC PRESERVATION HAS GREATLY INTENSIFIED. CONTINUED DESTRUCTION OF THE HISTORIC URBAN ENVIRONMENT HAS PUT AMERICAN CITIES, AND THUS OUR CIVILIZATION, AT RISK. PRESERVATION IS AN UNDERUSED SOLUTION FOR MANY URBAN PROBLEMS. ITS EFFECTIVENESS IN STEMMING THE DECLINE OF SMALL TOWNS AND BIG CITIES SHOULD BE MORE FORCEFULLY ARTICULATED.

With the urgent need for preservation comes urgent challenges for nonprofit preservation organizations. It was not enough in 1966 to stop further federal government-sponsored destruction of our nation's historic urban environment. The impact of the destruction already complete still has not been addressed and continues to cause more blight and disinvestment. In New Orleans, for example, the racially mixed Creole neighborhoods did not die immediately when they were bisected in the mid-1960s by an elevated expressway that also destroyed the longest stand of live oak trees in the world. Neither did they breathe their last when 11 square blocks were bulldozed for a cultural center that was never built. But the neighborhoods have been bleeding ever since from these wounds.

The assault-and-neglect cycle has so accelerated in most of our cities that a national news magazine recently headed the question, "Are Our Cities Obsolete?" Certainly San Francisco is not. Why does this city thrive? The built environment and the density and diversity of its population are the two most critical factors in its viability and the success of its largest industry: tourism. Examining how much residents fuel the economy in San Francisco and other successful cities may offer a lesson for less viable cities.

To its discredit, the news magazine article did not address the fact that our civilization is imbedded in our cities, and that without them *all* people will suffer, not just the urban poor. There was no mention of the historic built environment—no regret over its destruction, no understanding of its loss as a cause of urban decay, no vision of its potential for reversing decline. Such distorted national coverage cannot be ignored. It makes the efforts of local preservation organizations more difficult and can lead only to more disinvestment.

The failure of local entities to understand the needs of the city as a whole and the role of its buildings has also increased the burden on local nonprofit preservation organizations. These problems are typical:

- Downtown development organizations have little to do with surrounding neighborhoods, and few have succeeded in saving or reviving their main streets
- Chamber of commerce groups focus on generating jobs, often without considering that when the unemployed get jobs, they will move out, and when new employees move to town, they really move to the suburbs
- Low-income home ownership groups steer home buyers away from "risky" neighborhoods
- Welfare and social service organizations provide stopgap services to the poor, with no real impact on the problems inherent in the city
- Community development corporations, although they use a commendable "bottom-up" strategy, tend to inhibit their own efforts by ignoring the crux of the problem—the exodus of middle-income residents who once supported now-defunct businesses and maintained now-vacant properties
- City planning reflects only what citizens want, which is often uninspired, uninformed, and ineffectual

FILLING THE VOID IN THE "DOUGHNUT"

So there it is. In its dedication to the historic built environment, the citywide preservation group, filling a void, has emerged in the past two decades as the group most committed to saving the city and the group most likely to counter the "doughnut" concept of city planning, perhaps better described as the "sinkhole" or "retreat to the hills" concept. By encouraging renovations in urban neighborhoods, regardless of residents' income or race, preservation nonprofits are also the only organizations working against the emergence of what urban affairs columnist Neal R. Peirce has called our own form of apartheid. Either the fight continues or we must accept what Atlanta Mayor Maynard Jackson recently said on national television: "We are a nation of failing cities; therefore, we are a failing nation."

European architect-philosopher Leon Krier called American cities "places of damnation," and apparently there has been no great hue and cry to dispute this allegation. After all, most of our old cities continue to lose population as urban poverty grows, education levels decline, crime escalates, and our rich cultural heritage erodes further. Racial polarization, including hate-mongering and violence, is becoming more and more of a problem in our cities and metropolitan areas.

Dismissing American cities, Krier maintains that the real issue is how our cities "impinge" on other cities. Those more fortunate American towns and cities that may not actually be places of damnation should be concerned that the problems of others might indeed impinge on their own viability. Problems and trends travel, neighborhood to neighborhood, city to suburb, city to city, and even country to country, according to Krier. In fact, many problems in San Francisco—the shrinking middle class, the rise in crime and homelessness, and the negative impacts of tourism—might well be attributed to national trends. What spoils the Vieux Carré, Krier contends, are the suburbs—not just in New Orleans but everywhere—as hordes of people visit, but do not chose to live in, the few cities with living centers.

PRESERVATION AS THE STRATEGY

Preservationists always knew that more than the fate of buildings was at stake. We now have many local and national historic districts; in fact, the historic districts of New Orleans alone contain 40,000 buildings. But this is not enough! Destruction of historic buildings and neighborhoods continues to be a major factor in almost all urban problems. Conversely, preservation of historic buildings provides a strategy to alleviate the problems. Preservationists know that

- building renovations generate jobs
- building renovations improve property values
- new residents support local businesses, generating more jobs
- incentives for historical renovation work
- new homeowners bring hope and commitment to previously hopeless neighborhoods
- crime is reduced when there is hope and pride in neighborhoods
- the middle class can be increased by using historic buildings to attract homeowners and businesses to the city
- healthy historic neighborhoods improve a city's business, tourism, and residential image

Here is a strategy that works:

1. Stop destroying neighborhoods
2. Make a commitment to saving neighborhoods by giving homeowners, regardless of income, even a minor incentive to renovate. Focus on the middle class
3. Market the architecture, the conveniences, the spirit and the rich cultural heritage of historic neighborhoods

This is how our Operation Comeback program works in New Orleans. Another step is to articulate more forcefully the impact and potential of HUD and FHA programs. Both have contributed to the failure of our cities and continue to do so. Both have potential to help.

Unfortunately, civic leaders seldom use historic preservation as a strategy and are just as likely to oppose it. We are all aware of the ways a city can destroy a neighborhood. Civic leaders' failure to grasp the potential of the remaining historic urban environment for economic development and

an improved quality of life for all citizens is alarming. It is unconscionable not to use every resource available to help our failing cities and the urban poor, who are more and more abandoned in cities with fewer and fewer resources.

There is no groundswell of preservation understanding and support among the American people, their leaders, and the media, even though the federal Section 106 review process is now in place, the number of local preservation commissions has grown from just over 100 in 1966 to about 1,700 in 1991, and federal preservation incentives have worked as hoped and better. After all, the successful tax incentives were almost lost, and of course, the bricks-and-mortar grants are, for the most part, long gone.

NONPROFITS AT THE BARRICADES

Fortunately, nonprofit preservation organizations, working on their own and in partnerships, have redoubled their efforts and can claim remarkable accomplishments over the past quarter century. Nonprofits usually operate in four program areas: actual building renovations and special projects, assistance to others, advocacy, and community awareness. Because all program areas reinforce each other, the best nonprofits include each. By far the easiest to fund are special projects, but these have limited effectiveness without increased community awareness and advocacy.

For all of their efforts, however, most local nonprofits today face increasingly deteriorated main streets and neighborhoods. In New Orleans, commission budgets have been cut, even though additional National Register neighborhoods seek local protection. Even neighborhoods saved from destruction are at risk—because of overuse. The Vieux Carré district, established in 1936 (when New Orleans became the second city in the country to create a local historic district), is a case in point. Today the overcommercialized tourist area is one of the few arenas—including riverfront festival marketplaces and urban automobile races—to draw suburbanites who apparently long to come together in cities they have fled. City planners and the tourism industry fail to apply successful preservation principles of the Vieux Carré to other historic neighborhoods. They increase public funds for marketing tourism in a single National Historic Landmark neighborhood, blind to the potential of the other historic neighborhoods and the problems of confining more and more tourists to a single area.

Other ironies impede preservation efforts at the local level. These include the failure to use historic housing renovation as an economic development tool when most cities are desperately searching for ways to improve the economy. In most cities, the housing office, where many preservation incentives might be implemented, is totally separate from the economic development office; economic development and preservation are rarely goals in housing programs.

It is also ironic that preservation programs are perceived as irrelevant—or detrimental—to the plight of the poor. The poor stand to benefit most from the improved neighborhoods, economic development, and city services that a successful preservation program would generate. Perhaps even more critical is the social mobility that a middle class provides, essential to alleviating poverty and homelessness.

The issue of displacement provides another irony. Displacement occurs when neighborhoods are not stable and when buildings deteriorate to an uninhabitable state. Displacement occurs when residents of any income level are forced to move out because of crime. Historic preservation is a means of stabilizing neighborhoods and putting people in decent housing. Even though we very well may have become, as Mayor Jackson says, a nation of failing cities, we rarely acknowledge that the decline of the urban middle class is a major factor. We almost never take action to increase the urban middle class, because of the risk of displacement.

Fear of displacing the poor is sometimes carried to extremes. Grass-roots preservationists face opposition when they propose attracting home buyers—any home buyers—to blighted historic neighborhoods, even though this would be the single most beneficial means to reverse poverty and decline and the least likely to accelerate property values, causing displacement. This problem must be debated openly. Just what is the position of those who oppose efforts to help individuals buy and renovate a house in a deteriorated neighborhood? The implications are that they

- oppose diversity, because failure to stem decline results in the spread of poverty and the likelihood of a segregated, homogenous neighborhood, polarized against others
- condone the outright destruction or carving up of valuable historic property too large to be affordable by low-income buyers
- believe that they have a right to deny others the opportunity to buy and renovate a historic house and enjoy the convenience of urban living

The urgency of the problem demands that we become more outspoken about our cause as we formulate our program goals in the coming years.

The immediate future of our cities is crucial if they are to survive. Preservation can and must play a role in urban revitalization. The need right now is for more outspoken discussion about the potential for using the remaining historic built environment as a resource to save our nation's cities, to prevent social and economic polarization, and to perpetuate the best of our civilization for future generations.

Mr. TAUZIN. You didn't mention the termite, I am going to ask you about that later on. It is a big problem for all of us.

Ms. GAY. It certainly is.

Mr. TAUZIN. Randy Lanctot, Executive Director of the Louisiana Wildlife Federation. Welcome, Randy.

STATEMENT OF RANDY LANCTOT, EXECUTIVE DIRECTOR, LOUISIANA WILDLIFE FEDERATION, BATON ROUGE, LOUISIANA

Mr. LANCTOT. Thank you, Mr. Tauzin. I want to say that I have had the great opportunity over the years to visit the states of Oregon and New Mexico, the wilderness areas like the Gila, Pecos and Aldo Leopold, and the beautiful, wonderful coast of the state of Oregon. It certainly is a wonderful and gorgeous country that we all live in. I hope you gentlemen will appreciate the finer natural resources we have here in our state as well.

My name is Randy Lanctot and I have served as Executive Director of the Louisiana Wildlife Federation since 1980. The Federation is 60 years old with a long and proud tradition of defending habitat and winning advances for conservation and the environment. It represents a broad constituency of hunters, fishers, campers, birders and others that enjoy the great outdoors in the Bayou State. We have over 14,000 members and 35 local affiliated clubs. We were a founding member of the Coalition to Restore Coastal Louisiana and we are the state affiliate of the National Wildlife Federation.

I want to thank Chairman Young and members of the Committee for coming to Louisiana and inviting us to appear before you to testify on legislation that we believe is the most significant proposal ever for conservation funding. It is a big one that we can't afford to let get away.

As I am sure you have heard in testimony to the Committee by others there is a great need and strong support throughout the nation for investing in the conservation of renewable natural resources. Although a few discordant voices have been raised with regard to the effects these proposals may have on private property rights, we feel that those concerns are adequately met with provisions in the bills that restrict acquisitions to willing seller only agreements and agency policies that are already in place to ensure public input to Federal land acquisition proposals. Particularly in Louisiana, the need to restore our coastal habitats for both people and wildlife is urgent. Our coast is sustaining a loss of more than 30 square miles a year.

The concept of using revenue from the depletion of non-renewable public trust natural resources to secure, sustain and restore renewable natural resources for the benefit of present and future generations, as embodied in both of these bills and the companion bills introduced in the Senate is fundamentally sound, infinitely wise and we urge conservationists from throughout America to join us in commending the bill's authors, sponsors and supporters.

Thank you, gentlemen. By now, you have learned at least a little about Louisiana's vast productive and rapidly disappearing coastal wetlands. They are important gulf-wide as nursery for living marine resources and internationally as habitat for migratory birds.

In addition, to us here at ground zero, they are essential to keep the sea at bay and they are the fiber from which so much of our unique and colorful culture is knit.

The environmental cost of providing shoreside support for mineral development on the outer continental shelf have been immense and have been described to you by Mark Davis of the Coalition to Restore Coastal Louisiana and others. We hope that all of you and your other colleagues in Congress will accept and embrace the concept of sharing OCS revenue to restore coastal environments and ensure their future sustainability in Louisiana and elsewhere. They are among the most valuable, productive and challenged ecosystems in the world.

For the record, I have submitted or appended copies of resolutions that the Louisiana Wildlife Federation has adopted regarding this issue, for you to look at, at your convenience.

Of course, H.R. 701 and 798 propose to do more than provide funds for coastal restoration and conservation of marine resources. As an organization with a diverse membership and broad interests in all aspects of conservation, we have a lot to say, briefly, about both bills. As I have already mentioned regarding Coastal Energy Impact Assistance, we believe in sharing OCS revenue with coastal states that bear the impacts of offshore mineral development, and that in any fund distribution scenario, those producing states should have a greater claim on those dollars than other coastal states. However, like many of our colleagues in the national environmental community, we feel that the revenue sharing formula that is ultimately adopted and the realm of allowable uses of the fund should not be incentive for more offshore drilling.

What motivates OCS mineral activity now is the economics of discovery and production. I think Representative John said that a little while ago. Pure and simple—things like the availability of a lease with a promising formation, the technology to get to it and produce it, the feasibility of operating within the regulatory climate which is likely to get more rigorous in the future, and the market price of a barrel or thousand cubic feet. These factors far outweigh any stimulus that might be associated with the OCS Impact Assistance Title of H.R. 701.

But as a precaution and to allay the concerns of many, it would be reasonable to incorporate a few safeguards in addition to the provision of the bill honoring leasing moratoria. One safeguard would be to base the production-based part of the allocation formula on production previous to enactment of this legislation on a fair snapshot of past production. Another, as Representative Tauzin just mentioned, apply the moratoria provision to all titles of the bill—that is another good thing. And another would be to more clearly restrict the realm of purposes for which the dollars can be used so that they promote sustainability of coastal regions and avoid further degradation.

We strongly concur with the requirement of section 105 to have a state plan developed, with public participation, for use of the funds. We recommend that this section also require that all pertinent state natural resource management and protection agencies participate in plan development and that all pertinent Federal natural resource management agencies provide input to the plan. Fur-

ther, every project within the plan should have a clearly described objective and outcome and be monitored by the applicant, and that should apply to the wildlife funding and, as pertinent, to the land and water conservation funding.

I will summarize the rest of my remarks, you have my testimony.

We strongly support the full funding of the Land and Water Conservation Fund, and although Governor Foster did not mention it earlier when he was here, he is focusing on development of our state park system. We have one of the smallest in the nation and this funding is vitally important for that.

We support the habitat reserve concept in H.R. 701, it needs further development perhaps.

Title III, we are very enthusiastic about that aspect of the legislation and it covers most of the bases. But short of micro-management, additional language may be prudent to make sure the wildlife conservation funds provided for in this title are equitably apportioned among all state wildlife agency programs and responsibilities directly related to fish and wildlife conservation and education. For example, a census of swallow-tailed kites should be able to compete for these funds on equal footing with an urban wildlife education outreach program, which should receive no less consideration than a coastal fisheries enforcement patrol, development of a canoe trail or the conduct of a deer browse survey.

One issue that has not been discussed much, but you did mention Bosnia a little while ago. Obviously the Federal budget is a big concern here. That is in your court, we do not know—it is a little too complicated for us to address, but obviously that has to be dealt with.

We are concerned with H.R. 798. I know that bill was not addressed too much here today, but we do not believe that all new leasing should be eliminated from providing funds for this cause. And a very serious concern that we have with respect to H.R. 798 is its failure to recognize the disproportionate impact of OCS development on those coastal states like Louisiana that provide onshore support for this industry, one that energizes this nation. And we urge the bill's sponsors to work with Congressman Young and Louisiana members to address the needs of those impacted states.

There are some other good portions of both bills that can be knit together quite easily. We are happy to offer recommendations in that regard if you would like to have them, as far as specific wording, but in closing, on behalf of the Louisiana Wildlife Federation, I want to thank Congressman Young and members of the Resources Committee for advocating these bold and timely conservation funding proposals and I want to especially thank Congressmen John and Tauzin and Senators Landrieu and Breaux for their leadership in this cause that is critically important to Louisiana, her coast, her people and the wild lands and people of America.

Thank you.

[The prepared statement of Mr. Lanctot follows:]

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TESTIMONY OF RANDY LANCTOT, EXECUTIVE DIRECTOR OF THE LOUISIANA WILDLIFE FEDERATION TO THE RESOURCES COMMITTEE OF THE U. S. HOUSE OF REPRESENTATIVES CONCERNING THE *"CONSERVATION AND REINVESTMENT ACT OF 1999"(H.R.701)* AND THE *"PERMANENT PROTECTION FOR AMERICA'S RESOURCES ACT"(H.R. 798)*, MAY 3, 1999 IN NEW ORLEANS, LOUISIANA

My name is Randy Lanctot. I have served as executive director of the Louisiana Wildlife Federation since 1980. The Federation is 60 years old, with a long and proud tradition of defending habitat and winning advances for conservation and the environment. It represents a broad constituency of hunters, fishers, campers, birders, boaters and others that enjoy the Great Outdoors in the Bayou State, and includes over 14,000 members and 35 local affiliated clubs. LWF was a founding member of the Coalition to Restore Coastal Louisiana, and we are the Louisiana affiliate of the National Wildlife Federation.

Thank you Mr. Chairman and members of the committee for coming to Louisiana, and for inviting us to appear before you to testify on legislation that we believe are the most significant proposals <u>ever</u> for conservation funding. This is a "big one" that we can't let get away.

As I'm sure you have heard in testimony to the committee by others, there is a great need and strong support throughout the nation for investing in the conservation of renewable natural resources. Although a few discordant voices have been raised with regard to the effects these proposals may have on private property rights, we feel those concerns are adequately met with

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provisions in the bills that restrict acquisitions to willing seller-only agreements and agency policies that are already in place to ensure public input to federal land acquisition proposals.

Particularly in Louisiana, the need to restore our coastal habitats for both people and wildlife is urgent. Our coast is sustaining a loss of more than 30 square miles a year. The concept of using revenue from the depletion of non-renewable public trust natural resources to secure, sustain and restore renewable natural resources for the benefit of present and future generations, as embodied in H.R.s 701 and 798, and the companion bills introduced in the Senate, is fundamentally sound and infinitely wise, and we urge conservationists from throughout America to join us in commending the bills' authors, sponsors and supporters.

By now you have learned at least a little about Louisiana's vast, productive, and rapidly disappearing coastal wetlands. They are important Gulfwide as nursery for living marine resources, and internationally as habitat for migratory birds. In addition, to us here at "ground zero", they are essential to keep the sea at bay, and they are the fiber from which so much of our unique and colorful culture is knit.

The environmental costs of providing shoreside support for mineral development on the Outer Continental Shelf (OCS) have been immense, and have been described to you by Mark Davis of the Coalition to Restore Coastal Louisiana and others. We hope that all of you and your other colleagues in Congress will accept and embrace the concept of sharing OCS revenue to restore coastal environments and ensure their future sustainability, in Louisiana and elsewhere. They are among the most valuable, productive, and challenged ecosystems in the world. For the record I

have included copies of resolutions adopted by the Louisiana Wildlife Federation which clearly state our feelings with respect to the need for and worthiness of OCS revenue sharing for coastal energy impact assistance.

Of course, H.R.s 701 and 798 propose to do much more than provide funds for coastal restoration and the conservation of marine resources. And as an organization with a diverse membership and a broad interest in all aspects of conservation, the Louisiana Wildlife Federation has a lot to say about these two bills. I will take H.R. 701 first. As I've already mentioned, we believe in sharing OCS revenue with coastal states that bear the impacts of offshore mineral development, and that in any fund distribution scenario, those "producing" states should have a greater "claim" on those dollars than other coastal states. However, like many of our colleagues in the national environmental community, we feel that the revenue sharing formula that is ultimately adopted and the realm of allowable uses of the funds should not be an incentive to more offshore drilling. What motivates OCS mineral activity now is the economics of discovery and production, pure and simple; things like the availability of a lease with a promising formation, the technology to get to it and produce it, the feasibility of operating within the regulatory climate which is likely to get more rigorous in the future, and the market price of a barrel or mcf. These factors far outweigh any stimulus that might be associated with the OCS Impact Assistance title of H.R. 701. But as a precaution, and to allay the concerns of many, it would be reasonable to incorporate a few safeguards in addition to the provision of the bill, Sec 103(a)(2), honoring leasing moratoria. One safeguard would be to base the production-based part of the allocation formula on production previous to enactment, or on a fair "snapshot" of past production. Another would be to, as H.R. 798 does, apply the leasing moratoria provision to

all titles of the bill, and another would be to more clearly restrict the realm of purposes for which the funds can be used so that the funds promote sustainability of coastal regions and avoid further degradation.

We strongly concur with the requirement of Section 105 to have a state plan, developed with public participation, for use of the funds. We recommend that this section also require that all pertinent state natural resource management and protection agencies participate in plan development, and that all pertinent Federal natural resource management and protection agencies provide input to the plan. Further, every project within a plan should have a clearly described objective and outcome, and be monitored by the applicant.

Full funding of the Land and Water Conservation Fund has long been a priority within the conservation community, including the Louisiana Wildlife Federation. Our members are users of public lands here and throughout the country and we have advocated public acquisition, from willing sellers, of lands for wildlife habitat conservation and public recreation at every opportunity. Particularly with respect to LWCF state side funding, this bill is timely considering Governor Foster's commitment to expanding and enhancing Louisiana's state park system – one of the smallest in the nation.

Section 205 establishes the Habitat Reserve Program, a concept LWF supports. We are interested in learning more details of the mechanics of the program, and particularly the funding source and allocation formula which is not clear in the version of the bill we downloaded from the "Thomas" web site.

The Wildlife Conservation and Restoration title of H.R. 701 has our enthusiastic support. We are pleased that it appears to provide funding for a diversity of species and uses, that it appears to maintain the integrity of the original Federal Aid in Wildlife Restoration Program, that it contains the all-important prohibition against diversions, that it prohibits replacement of state funding from wildlife restoration and sportfish restoration accounts, that it equitably distributes the available funds to the states, and that it requires the development of eligible projects and programs with public participation. Short of micromanagement, additional language may be prudent to make sure the wildlife conservation funds provided for in this title are equitably apportioned among all state wildlife agency programs and responsibilities directly related to fish and wildlife conservation and education. For example, a census of swallow-tailed kites should be able to compete with these funds on equal footing with an urban wildlife educational outreach program, which should receive no less consideration than a coastal fisheries enforcement patrol, development of a canoe trail or the conduct of a deer browse survey. Just to make sure the often competing wildlife research and management, and law enforcement functions of conservation are clearly balanced, you may wish to add "wildlife research and management" to Sec. 302(2), and "wildlife law enforcement" after "wildlife damage management" in Sec. 303(d).

Now what about federal budget limits and other potential constraints on this magnanimous revenue sharing for conservation proposal? We will have to pass on that one, except to put our faith in your hands to make sure this truly "big one" does not get away.

Now on to H.R. 798, another good bill.

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SUBJECT: CONSERVATION FUNDING FROM FEDERAL OUTER CONTINENTAL SHELF MINERAL REVENUES - THE CONSERVATION AND REINVESTMENT ACT OF 1999

WHEREAS, nearly 3 years ago, Louisiana conservation leaders including the Louisiana Wildlife Federation began to advance the concept of allocating a share of federal outer continental shelf (OCS) mineral revenues to states suffering adverse environmental impacts from coastal and offshore energy development for the purposes of mitigating those impacts and restoring/managing coastal habitats that have been reduced and degraded by erosion, subsidence, altered hydrology and other activities of human society (Fair Share Campaign), and

WHEREAS, the rationale behind this initiative was based on several factors: the apparent relationship between the loss of coastal wetlands and barrier islands and the exploration for and production of oil and natural gas resources in Louisiana's coastal and offshore waters, the existing federal policy of sharing 50 percent of the income from the production of minerals on federal lands with communities in the states where that occurs, the apparent inequity between the benefits that accrue nationwide from energy production and the related environmental risks and damages incurred by the habitats and citizens in those states that provide the onshore support for offshore energy development, and the knowledge that existing funding sources and levels for coastal restoration in Louisiana are insufficient to underwrite the huge costs of projects and programs necessary to restore sustainable coastal ecosystems and sustain the communities that depend on them, and

WHEREAS, the recent "Coast 2050" report which sets forth concepts, proposals, and cost estimates for meaningful coastal restoration corroborates the need for securing substantially more financial support than is now available by projecting a $14 billion ($14,000,000,000) price tag for restoring Louisiana's coast, and

WHEREAS, after a slow start the prospect of OCS revenue sharing for conservation uses not only has become realistic with the burgeoning federal budget surplus but extremely popular as conservation advocates around the country are seizing the opportunity to promote full funding of the Land and Water Conservation Fund ($900 million annually for acquisition and development of local, state and national parks and other lands for conservation and public recreation) and funding for state wildlife conservation programs, as well as coastal restoration, from these OCS funds, and

WHEREAS, U.S. Senator Mary Landrieu, with the support of other members of Louisiana's Congressional Delegation has introduced the "Conservation and Reinvestment Act of 1999"

(OVER)

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(S.25) in the United States Senate which proposes to allocate up to 27 percent of federal OCS revenues to the states for coastal energy impact assistance, provide full funding for the Land and Water Conservation Fund, and share 7 percent of federal OCS revenue with fish and wildlife agencies to support state wildlife conservation programs, and

WHEREAS, S.25 gives priority to longstanding unfunded or underfunded conservation needs including the acquisition of habitat and greenspace, requires public participation in determining the projects and programs the funds can be used for, requires accountability for use of the funds, and emphasizes wildlife conservation education, wildlife-associated recreation and projects which meet the needs of a diverse array of wildlife species, and

WHEREAS, the Louisiana Wildlife Federation has often advocated funding for habitat acquisition, parks and greenspace, nonconsumptive use-associated wildlife programs, coastal restoration and other purposes which S.25 provides for, and

WHEREAS, the Louisiana Wildlife Federation finds the Conservation and Reinvestment Act of 1999 consistent with the purposes for which it was organized over 60 years ago.

THEREFORE BE IT RESOLVED that the Louisiana Wildlife Federation supports the Conservation and Reinvestment Act of 1999 as introduced by Senator Mary Landrieu and thanks her for all the good work she and her staff have devoted to putting the proposal together.

BE IT FURTHER RESOLVED that in recognition that the provisions of S.25 will continue to evolve in the legislature process, LWF will strive to monitor its progress and provide timely and appropriate input to assure its consistency with fairness, environmental protection and conservation/restoration of sustainable ecosystems.

Adopted by the Louisiana Wildlife Federation in convention assembled, 21 February 1999 in Lafayette, Louisiana.

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SUBJECT; LOUISIANA'S FAIR SHARE OF OFFSHORE OIL AND GAS

WHEREAS, the state of Louisiana offshore federal lands are the principle source of federal revenues on offshore oil and gas production (96% of all offshore oil and gas production in federal waters comes from Louisiana), and

WHEREAS, the negative impacts of this activity are numerous and expensive to correct or compensate for, and

WHEREAS, parish and state governments contribute millions in annual tax funds to support offshore oil operations, mainly through their ports, and

WHEREAS, commercial and sport fisheries are negatively impacted due to the thousands of miles of pipelines crossing sensitive wetlands needed to carry the product to refineries and markets (80% moves this way), and

WHEREAS, the impacts of navigational channels in causing marsh land loss are well documented, and

WHEREAS, the discharge of produced waters and cuttings from thousands of drill holes contaminate the Gulf's sensitive water bottoms with toxins, and

WHEREAS, the land disposal of so called non-toxic drilling waste has polluted ground and surface waters and land areas all over South Louisiana, and

WHEREAS, Western states receive 50% of oil and gas royalties produced on federal lands in their states, and Alaska receives 90% while Louisiana receives nothing, and

WHEREAS, an enormous new reserve has been discovered in deep offshore waters, and

WHEREAS, the benefits to Louisiana are way over due, should be available to help in all areas of the state, and would be a positive influence in pulling the people up from the poverty levels that we are plagued with.

THEREFORE BE IT RESOLVED that the Louisiana Wildlife Federation supports allocating a fair share of the revenue the Federal Government receives from energy development in the Gulf of Mexico, offshore Louisiana, to the State of Louisiana, consistent with the policy for compensating other states for mineral development on public lands and waters within and adjacent to those states.

BE IT FURTHER RESOLVED that LWF supports dedication of the use of such funds for the long term future benefit of the state including: education, economic diversification and development of nonpolluting industry, state debt retirement, coastal restoration and habitat acquisition, among others; and that all parishes of the state receive a fair share of these benefits.

Adopted by the Louisiana Wildlife Federation in convention assembled 16 Feb. 1997, in Gretna, LA.

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H.R. 798

Many of the foregoing comments pertain generally to H.R. 798 so I won't repeat them. However we do have the following specific comments and observations concerning this very important bill. Section 4(4)(B) excludes revenue from new leases from being available for the various OCS revenue sharing purposes described in the bill. This applies to areas that are not under moratoria. We fear that this exclusion may be selling the promise of these bills short and urge H.R. 798's sponsors to take another look to see if this exclusion is really necessary. We're inclined to think it is not.

A very serious concern we have with H.R. 798 is its failure to recognize the disproportionate impact of OCS development on those coastal states, like Louisiana, that provide onshore support for this industry, one that energizes this Nation. We urge the bill's sponsors to work with Congressman Young and the Louisiana members to address the needs of those impacted states.

There is clearly some consistency and compatibility between the two bills. Obviously the LWCF/Urban Park titles of both bills are similar, although the state-side funding formula in H.R. 798 may be a little too skewed toward the most populous states. The purposes and funding of Title 6 (Living Marine Resources) of H.R. 798 could easily fit within the Coastal Energy Impact Assistance title (Title I) of H.R. 701. Title 7 of H.R. 798 (Native Fish/Wildlife Conservation) fits well within Title 3 (Wildlife Conservation) of H.R. 701, and the Habitat Reserve Program (Section 205) of H.R. 701 is essentially incorporated within Title 8 (Endangered Species

Recovery) of H.R. 798.

H.R. 798 includes proposals for OCS revenue sharing for some worthy conservation purposes that are not within H.R. 701, namely Title 4 aimed at preserving our country's farmlands and ranchlands, and Title 5 that provides for restoration and repair on federal public lands and tribal lands. We urge the sponsors of H.R.701 to consider these as the discussion of the bills moves forward.

In closing, and on behalf of the Louisiana Wildlife Federation, I want to thank Congressman Young and members of the Resources Committee for advocating these bold and timely conservation funding proposals. And I want to especially thank Congressmen John and Tauzin and Senators Landrieu and Breaux for their leadership in this cause that is critically important to Louisiana, her coast and people, and the wildlands and people of America.

Mr. TAUZIN. Thank you, Randy.

Finally, Mr. Clifford Smith, President of T. Baker Smith and Son, our river commissioner. I want you all to know that whenever I am really feeling too good, I call Clifford, he usually brings me back down to earth. Are you feeling pessimistic or optimistic today?

Mr. SMITH. I will try to be a little more optimistic today.

Mr. TAUZIN. We welcome your testimony, sir.

STATEMENT OF WILLIAM CLIFFORD SMITH, PRESIDENT, T. BAKER SMITH AND SON, HOUMA, LOUISIANA

Mr. SMITH. Mr. Chairman and members of the Resources Committee, I am William Clifford Smith, I am a civil engineer and land surveyor in Houma, Terrebonne Parish, Louisiana. I have lived in this area all of my life. This is the same area, by the way, that Mr. Snyder and Mr. Downer earlier than me, were from.

My community is 65 miles southwest of New Orleans, 30 miles north of the Gulf of Mexico and two inches above the water and the water is rising. I often say that I am the only person that comes up to the meetings in New Orleans, it just so happens today they had four or five people that came up to the meeting, from where I live to the meetings in New Orleans. So we live between the mouth of the Atchafalaya and the Mississippi River. We truly live in the delta. The Mississippi and its tributaries provide drainage and navigation improvements for 41 percent of the surface areas of the United States, of which all the water and navigation flows through Louisiana to the Gulf of Mexico.

Over the last approximately 100 years, the United States Government has leveed and controlled the Mississippi River and tributaries for flood control and navigation improvements. It is estimated that 70 percent of the grain exported from the United States traverses the Mississippi River through Louisiana to international markets. For the benefit of the nation, these flood control and navigation improvements have had some protection to our area, but it has also been a major cause of coastal deterioration of our lands.

In my community over the last 60 years, we have lost approximately 400,000 acres of surface area to the Gulf of Mexico. This has primarily been caused by the controlling of the rivers and the cutting off of the delta building process. At the same time the exploration for oil and gas in coastal and offshore Louisiana has been accelerating; and the navigation and access canals for pipelines and other transportation needs have intensified this deterioration.

Not only has our area provided vast amounts of oil and gas for consumption by the United States economy, but we are also the major port of embarkation for foreign oil coming into our nation. It is now estimated that 70 percent of the energy consumed in the United States originates from the Gulf Coast.

I believe that H.R. 701 is a proper way to allow funds to flow from the United States Treasury to areas such as ours for truly mitigation benefits for the improvements necessary to reverse the environmental impacts that are being affected in this region. Because of the sacrifices our region has made for energy resources, flood control and navigation, it certainly seems reasonable that some direct wealth that our area contributes to the national treas-

ury should be used to mitigate, control, manage the recurring natural resources that we have remaining.

Our fragile coastal area is still truly a national treasure and probably the most productive ecological area in the whole nation. We provide vast amounts of seafood to this nation, and if the alarming coastal erosion problem is not properly managed, this vast resource for our nation will be lost forever.

Surely we in Louisiana cannot afford and should not be expected to provide all the funds for the resource management necessary to reverse some of these drastic environmental and ecological changes that are happening to us.

Since we have now documented that we are losing in Louisiana approximately 35 square miles to coastal erosion a year, we humbly request that H.R. 701 be approved by this Committee and enacted by Congress as quickly as possible.

I might mention that I believe while we have been meeting here this morning for about four hours, we have lost at least 12 acres of land. And since you all have been so kind to be in our state for the last three days, we have lost about 200 acres. I also might mention that——

Mr. TAUZIN. You are not blaming that on these members?

Mr. SMITH. No, no, no, just pointing out the importance of the problem.

Another point is that Congressman DeFazio had asked about the severance taxes and if we had been spending any money for coastal restoration. In the last 10 years, through a constitutional amendment, we have spent about $170 million in Louisiana of Louisiana money for coastal restoration projects. We have also instituted a program for permitting in the state which requires mitigation benefits for any new projects that are built in the coastal areas. And we frankly in Louisiana did the funding and did the permitting process even before the Federal Government began to look at those different types of projects.

So we do think we have taken even a lead to try to reverse some of the things that have happened to us.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Smith follows:]

STATEMENT OF WILLIAM CLIFFORD SMITH, PRESIDENT, T. BAKER SMITH AND SON, HOUMA, LOUISIANA

Mr. Chairman, members of the Committee on Resources, I am William Clifford Smith, a Civil Engineer and Land Surveyor from Houma, Terrebonne Parish, Louisiana. I have lived in this area all of my life.

The community in which I live is 65 miles southwest of New Orleans and 30 miles north of the Gulf of Mexico. This area is between the mouth of the Mississippi and Atchafalaya Rivers. We truly live in the Delta area. The Mississippi and its tributaries provide drainage and navigation improvements for 41 percent of the surface area of the United States, of which all of this water and navigation flows through Louisiana to the Gulf of Mexico.

Over the last approximately 100 years, the United States Government has leveed and controlled the Mississippi River and tributaries for flood control and navigation improvements. It is estimated that approximately 70 percent of the grain exported from the United States traverses the Mississippi River through Louisiana to international markets. For the benefit of the nation, these flood control and navigation improvements have had some protection to our area, but it has also been a major cause of the coastal deterioration of our lands.

In my community, over the last 60 years, we have lost approximately 400,000 acres of surface area to the Gulf of Mexico. This has primarily been caused by the

controlling of the rivers and the cutting off of the delta building process. At the same time, the exploration for oil and gas in coastal and offshore Louisiana has been accelerating; and the navigation and access canals for pipelines and other transportation needs have intensified this deterioration.

Not only has our area provided vast amounts of oil and gas for consumption by the United States economy, but we are also the major port of embarkation for foreign oil coming into our nation. It has been estimated that 70 percent of the energy consumed in the United States originates from the Gulf Coast.

I believe that H.R. 701 is a proper way to allow funds to flow from the United States Treasury to areas such as ours for truly mitigation benefits for the improvements necessary to reverse the environmental impacts that are being affected in this region. Because of the sacrifices our region has made for energy resources, flood control, and navigation, it certainly seems reasonable that some of the direct wealth that our area contributes to the national treasury should be used to mitigate, control and manage the recurring natural resources that we have remaining.

Our fragile coastal area is still truly a national treasure and probably is the most productive ecological area in the whole nation. We provide vast amounts of seafood to this nation, and if the alarming coastal erosion problem is not properly managed this vast resource for our nation will be lost forever.

Surely we in Louisiana cannot afford, and should not be expected, to provide all the funds necessary for the resource management necessary to reverse some of these drastic environmental and ecological changes that are happening to us.

Since we now have documented that we are losing, in Louisiana, approximately 35 square miles a year to coastal erosion, we humbly request that H.R. 701 be approved by this Committee and enacted by Congress as quickly as possible.

Mr. TAUZIN. Thank you very much, Mr. Smith.

Let me first recognize myself and then other members. Mr. Anderson and Mr. Davidson, I think you present some of the conflicts we have with our bill. Obviously we are trying to write a bill that answers the concerns of private property owners and when you fund land and water conservation, you are funding the acquisition of more private property for, in this case, preservation purposes. In any event, you see the conflict. And we are delicately trying to balance those by ensuring that the bill does not in any way take away private property rights. That is why the willing seller provisions are in. We have had to deal with westerners who do not want to see a great deal more land acquisition, that is why the in-holding provisions. We have another provision that says that most of the acquisitions have to occur east of the river in an effort to tilt the acquisition of more Federal land away from the western states. You know, I think you can understand why they have a sincere concern about over-abundant state, local and Federal control of their properties. In fact, in those states where that occurs, we have formulas to share money with the states to help them, because they lose property taxes when the government owns the land, very similar to what we are talking about here, mitigating the damages of the Federal activity.

So I just want to point out that in your testimony, you made a very clear and concise argument on the two sides of the equation, which we have to balance. And my only plea to you is to understand that we have to balance that. We cannot write a bill which will lose support because it does not protect property rights. On the other hand, we cannot write a bill that funds Federal land and water acquisition for preservation purposes without some acquisition occurring. We have to balance those concerns and we are trying to do that. I just want you to understand and know that as we go through it.

I also wanted to point out to all of you with the preservation effort, the Wildlife Federation effort in Louisiana, that you said it,

Randy, this is our best shot in a long time. You know, these shots do not come along too often. This is the first time the Federal Government is recommending a revenue sharing and if we do not tap into it, we are very foolish. You mentioned it, let me state again, the Kosovo funding requirements are beginning to loom as very, very large. We are up to a $6 billion request from the President, we are likely to up that a great deal because of the concerns we have that is drawing down other security forces for our country in other parts of the world. We are looking at a $12 billion bill coming out of Committee. And when you talk about the scale of those appropriations, you understand why we are going to be hard-pressed to find money. We may win, as you did in this case, win in an authorization for funding for historic preservation, only to find no money was ever appropriated to the program. That would be a hollow victory for us and we want to encourage you, please, to understand how we are delicately balancing this so that we have enough support not only to authorize the programs, but to get funding, Randy, and make sure that each of these preservations work.

I want to say one final thought on that and then go to the termites.

[Laughter.]

Mr. TAUZIN. The point of our bill, Title III, is designed to keep species from ever getting on an endangered or threatened list. It is awfully critical and I see, Paul, you shaking your head—that is so critical. The last thing we ought to have to worry about is listing these species and going through the awful problems we have with landowners, Mr. Anderson, trying to protect a specie when to do so comes in conflict again very seriously with private property interests, et cetera. If we can intercede early and make sure the black bear is never threatened, never endangered, and other species like him never reach that list, we do more to protect private property rights in the end than any other thing I think we could do, and we are accomplishing our purpose of preventing the demise of species on the planet.

The termites, which is a species we have to worry about getting rid of.

Ms. GAY. It came through the port also.

Mr. TAUZIN. The Naval Station brought them here, the Federal Government brought us a new termite. And if you do not know about it, learn about it, please. And Peter and Tom, you are going to learn a lot more about it as Jefferson, Bill Jefferson, makes his case in Congress because New Orleans is most heavily infested, but many coastal states are. The problem with this termite is not just that it infests homes and buildings and historic sites, it infests live trees. And here is the point I want to make today, I think not only with this bill but in the efforts that Bill is going to make to attack this problem, there is a connection. If the live trees along our coast are as heavily infested with these termites as we are told they are, then $300 million annually is being done to properties and trees along coastal Louisiana. And we get that next storm and that next storm and the land is washing away and now the trees become fragile because they are eaten up from the inside by a new termite infestation, you can see how this begins to relate, how it begins to connect. Dealing with this termite is going to be a serious problem

for us if we are going to protect the trees and the barriers they provide for us not only in terms of holding the soil together but the barriers to wind damage and wave damage when the storms come into Louisiana and rip away our coast line.

I want everybody to focus on that, please, as we leave this hearing and join with us in that effort as well because Bill Jefferson and the Louisiana delegation is going to be trying to make the case on the Federal level to begin dealing with that awful problem as it relates to historic preservation as well.

I have used up all my time. Let me ask other members if they have comments or dialogue.

Peter?

Mr. DEFAZIO. No.

Mr. TAUZIN. Chris?

Mr. JOHN. Very brief. I want to just thank everyone for participating in this hearing. Not a particular question for any of the folks at the table here, but this as truly been a remarkable hearing, it has been a remarkable three days, to try to really add to the momentum of a piece of legislation whose time has come.

The Legacy in Lands initiative by the President, the George Miller bill H.R. 798, the CARA 701 and Landrieu's bill on the Senate side, all have a commonality and a common thread that weaves them together and this is a vital and important part of the process that we exercised today, to make sure that the commonality is about conservation. We are going to have a particular bill come out of this Congress and you are an important part in mending and weaving that bill. So thank you very much for coming.

I also want to thank the staff of the Resources Committee on both sides of the aisle, the Democrats and the Republicans, who really have worked very hard at making this all possible, and also the City of New Orleans and also special thanks to the gentleman from Oregon and also the gentleman from New Mexico for taking time out of their schedule. As a Member of Congress, I understand that there could be 100 other places to be, including in your homes with your families, so it means much to me and to Congressman Tauzin that you would take this weekend, irrespective of jazz fest, and come be with us today.

Mr. TAUZIN. Thank you, Chris.

Let me wrap up by first of all recognizing the presence of a former colleague. As Secretary Westphal pointed out——

Mr. JOHN. Do we have to?

[Laughter.]

Mr. TAUZIN. [continuing] one of the founders of the Congressional Wetlands Caucus, who has been a leader in this effort, Jimmy Hayes. We recognize you, Jimmy, for all your past efforts for Louisiana.

And finally, as Chris did, to thank the two gentlemen who came such a long distance to be with us. I was outside, Peter, with a reporter just a little while ago and one of them jokingly said that we were putting him to sleep in here. Let me first not apologize for that, this is not a very exciting and titillating subject, it really is not, we understand that.

Ms. GAY. To me it is.

Mr. TAUZIN. Is exciting to the witnesses that are here, but I am talking about in terms of the television audience, we understand that. This may be boring for a lot of people, but let me say it I guess as succinctly as I can, perhaps in the words of young Daniel Snyder, this is our home and we are about to lose it. And when we lose our home, not just Louisiana but America loses something precious along this coast. And I cannot think of anything much more serious than that when you think about it. Cajuns got displaced, Peter, Tom, by the British a long time ago and New Orleans is a home for all kinds of displaced populations, from Africa, from Europe and from Asia and South America—we did not just get termites, we got all kinds of folks from all over the globe to settle in Louisiana. It is a wonderful multi-cultured community. And as I said, some of us came here less than voluntarily. But this is our home now and we share it together and we love it together and we honor it together and those of us who serve it, serve it in Congress together with a great deal of enthusiasm and seriousness of purpose. This is a most serious hearing today. I hope you have appreciated that it came to New Orleans, that the Natural Resource Committee respected the fact that this community and the Louisiana coastline is the most impacted, but that coastlines all over this country could have similar hearings and similar discussions and threatened and endangered wilderness and resource areas and urban parks are hurting all over this country and historic areas are not receiving the protection they should these days.

These are concerns you would hear all over America, but I hope you appreciate that Chairman Young first consented to bringing it to Louisiana and finally, I hope you give these two gentlemen who came from that beautiful state of Oregon and that fantastic community of New Mexico—I have spent a lot of time in both of those great states and I will tell you, I would find it hard to leave it if I represented them, to come even to new Orleans. They are just great places to be. I hope you give Tom Udall and Peter DeFazio a big hand of appreciation for coming here.

[Applause.]

Mr. TAUZIN. Any closing comments, Peter, Tom?

Mr. DEFAZIO. Well, Mr. Chairman, I think that, you know, this has been a tremendous weekend in terms of accelerating my knowledge of the coastal problems you have here. Coming from a coastal state, you know, I am sympathetic, I believe that as a cosponsor of Congressman Miller's bill, that we can work out our differences and come to something that will be mutually acceptable and I am hopeful we will do that because otherwise the appropriators are going to keep stealing the money that could be applied to better purposes than just sending it off somewhere into the ether of the Federal budget. So I hope we can make that common cause and get it done.

Mr. TAUZIN. Thank you, Peter. Tom.

Mr. UDALL. Thank you very much. And let me first thank the panel. I think this final panel was a very good one and I think laid out really the ground we need to cover in order to get this done. I also want to thank our hosts here. I mean Billy and Chris have just been really wonderful in terms of making sure that we got around and saw all of the local sites and things along with doing

quite a bit of work. And they told us I think yesterday or day before when we were flying over these coastal wetlands that we probably had seen more wetlands than almost anybody in Louisiana. So we are very familiar with the wetlands after this trip and I think it is clear that the President's proposal for a land legacy fund, the bill introduced by the Louisianians and Chairman Young, Miller's bill, all of this is an effort to do something in terms of all the areas we have talked about here—endangered species, historic preservation, trying to make sure that we have money available for states to do the kinds of things they want with land acquisition and also if there are additional things that need to be done in terms of Federal land acquisition.

So let me just say that this has been and we do not take the opportunity that much to either leave our home districts and learn about national issues like this, but this has been a wonderful opportunity and I really want to thank the panel and thank our hosts.

Mr. TAUZIN. Thank you, Tom; thank you, Peter. Thank you all for coming, the hearing stands adjourned.

[Whereupon, at 12:12 p.m., the Committee was adjourned.]

[Additional material submitted for the record follows.]

STATEMENT OF JAMES H. JENKINS, JR.,SECRETARY, DEPARTMENT OF WILDLIFE & FISHERIES, BATON ROUGE, LOUISIANA

Dear Mr. Chairman:

The Department of Wildlife and Fisheries strongly supports H.R. 701 known as the Conservation and Reinvestment Act of 1999 (CARA). With respect to it's conservation impact, CARA is certain to take a position beside its models, the Pittman-Robertson and Dingell-Johnson/Wallop-Breaux Acts as the most important conservation legislation this century. It is appropriate for it to come as we enter the next century, for it will usher in a new conservation era; one which will provide long-term funding for all plant and animal species. The level of support for CARA throughout the nation is unprecedented, and reflects a genuine interest by the public in conserving our native flora and fauna.

Interest in wild areas has been a part of our heritage for generations. Theodore Roosevelt was certainly an advocate when in 1904 he sat on our largest coastal barrier island, Chandeleur Island, and recognized its significance, calling it a "national treasure." Indeed, his interest in preserving it led to its becoming the nation's 2nd National Wildlife Refuge (known today as Breton National Wildlife Refuge). In recent years, the refuge has served as habitat for thousands of nesting terns and gulls.

Birds continue to attract broad attention in Louisiana. Our wetland communities draw millions of ducks and geese every autumn, and serve as critical overwintering areas for these groups of birds. The Mississippi River alluvial valley serves as a flyway channeling these birds to areas where hunters as well as non-hunters may enjoy them. The river also funnels millions of other birds down its corridor during their fall migration to lands south of our borders. And in the spring, the birds return. These neotropical migrants depend on our habitats to refurbish their energy resources that they have depleted from their long flights across the Gulf of Mexico. Of particular importance are the cheniers, remnant beaches now wooded with live oaks and other species of hardwoods along the coast. During poor weather conditions, they serve as refuge for numerous species of birds and butterflies to alight, rest, and feed, before continuing their journey northward.

CARA will provide monies to improve the management of existing public wildlife management areas and refuges and allow us to work with private landowners to protect these critical migration routes and develop wildlife viewing areas throughout the state, thus providing increased opportunities for the public to actively pursue its wildlife interests.

For years hunters have provided the lion's share of the funding for wildlife conservation, management and research programs. Revenue from the sale of hunting licenses coupled with Pittman-Robertson funds have been used to manage and conserve a wide array of wildlife and their habitats. However, those funding sources have not increased in recent years, despite the growing demand for wildlife associated recreation and increasing responsibility of state wildlife agencies. As a result, urgent needs go unmet under present funding levels.

Research indicates that our songbirds are in trouble. More than 40 percent of the neotropical migrant species are declining. In the United States alone, it is estimated that some 40 percent of migratory bird habitat was lost during the last three decades. The time to act is now. To wait would increase the likelihood that many of these species will continue to experience declines, which may lead to listing them as threatened under the U.S. Endangered Species Act. CARA will immediately provide necessary support to tackle current conservation issues that have no geopolitical boundaries for which funding is currently grossly lacking.

Habitat loss is a real threat to our wildlife resources. Coastal erosion, a tremendous problem in Louisiana, contributes to habitat loss for many species of wildlife. Habitat loss also occurs with conversion of our native forests, prairies, and marshes to urban, agricultural, and other uses. Certain Federal programs, such as the Wetland Reserve Program, have been paramount in reforesting less productive farmlands. The list of programs beneficial to wildlife is certainly numerous, but land acquisition, when performed in cooperation with willing sellers, remains a key tool in wildlife conservation. These sellers often want to act quickly, however. H.R. 701, as proposed, would place the unnecessary restriction of having Congress approve projects over $1 million. This would, in our opinion, slow the process, and may discourage a willing seller to enter into a deal. Limiting acquisitions to within and around existing Federal properties is also very restrictive. The states, through their knowledge of gaps in what fauna and flora are protected on government and privately maintained lands, are better positioned to determine what protection needs exist to complete their site portfolios. This authority needs to be left with the states, and not limited to or dictated by where Federal properties currently exist.

The threat of exotic species on our native wildlife may become one of the most pressing issues of the 21st century. The nutria, a semi-aquatic rodent, was accidentally introduced into the states coastal wetlands in 1937. They not only feed on grasses that are essential for trapping sediment during the marsh building process, but they also consume the plant root system, destroying the plants that hold this fragile land together.

Between 1962 and the mid 1980's, a good fur price to trappers maintained an adequate harvest and control of the population. During the late 1980's low fur prices resulted in less than adequate harvest and very serious vegetative damage in coastal wetlands.

An aerial herbivory damage survey conducted in 1998 indicated that over 80,000 acres of coastal wetlands had been damaged by over population of nutria. Only 9 percent of these sites showed sign of recovery. Vegetative damage caused by nutria was documented in at least 11 CWPPRA project sites.

Since nutria herbivory damage is so closely tied to coastal restoration efforts, funds for incentive payments, to increase the annual harvest and reduce vegetative loss, should obviously come from Title 1.

Recreational and commercial fishing is an important component of the economic, social and cultural fabric of Louisiana supporting over 49,000 jobs and nearly $2.9 billion in retail sales. The benefits derived from fishing are sustainable if we wisely invest in the proper stewardship of these fish resources.

Title I, Section 104 lists the authorized uses for Impact Assistance funds. Although research on marine fish is mentioned, the language is not clear that other important data gathering activities are allowable. Specifically, gathering harvest data, economic data, and other information from fishermen and other user groups is vitally important in determining the impact of OCS activities on the user groups; gathering this type of information should be specifically provided for in this Title.

Also, we suggest it is appropriate to provide funds to the Secretary of Commerce for rejuvenation of the Interjurisdictional Fisheries Act of 1986, which provides for grants by the Secretary of Commerce to States for management of interjurisdictional commercial fishery resources. Funding for this Act has been decreasing in recent years, which has adversely impacted the ability of the coastal states to manage their coastal fisheries resources. Likewise, consideration should be given to provide more funding to implement the management plans of the eight regional Fishery Management Councils, which were established by the Magnuson-Stevens Fishery Conservation and Management Act. The Councils prepare fishery plans which are designed to manage fishery resources from where state waters end out to the 200-mile limit of the Exclusive Economic Zone.

The Urban Wildlife Program addresses issues associated with cities, such as nuisance wildlife concerns and urban wildlife education/viewing/inventory issues. The public demands that such programs be available, with interest in improved endangered species and urban programs growing annually. Funding is grossly inadequate to meet even the current needs. CARA will provide funding to strengthen these programs.

In Louisiana today there is a vital demand for "non-consumptive or non-game" educational programs and activities. Public links to the environment have diminished, caused in part by the population shift from rural to urban and the increase in single-parent households. Accumulated environmental problems over past decades have placed pressure and stress on Louisiana's wildlife resources. The management and conservation of the rich and bountiful non-game populations cry out for increased awareness through educational programs. As wildlife management practices have changed from single species management to entire ecosystem management, wildlife education must transcend teaching only hunting safety to educating the public about natural resource issues, trends and management decisions. The public needs to understand the importance of biodiversity, interdependence and other essential concepts and how these concepts are personally relevant to public well-being. Louisiana citizens should have the opportunity to understand, enjoy and derive benefits from all of our diverse wildlife resources. The challenge is providing the long term funds necessary to meet this vacuum. The wildlife resource funding initiative known as CARA can fill that vacuum by providing financial resources to enable the state wildlife agencies to become full service agencies benefiting all citizens.

All these unmet needs require substantial and consistent funding sources. In light of these needs, we support the 10 percent funding level as recommended in H.R. 701, and strongly urge that you adopt this level funding as a minimum. The urgent nature of this need dictates that funding be provided at this level.

We are standing at the door of a new millennium and at a new frontier. As the idea of sending men and women into space captivated the American audience over

the last four decades, the idea of conserving our native game and non-game species has tremendous support nationwide today. Our native plants and wildlife are national treasures, much like the barrier islands of which Theodore Roosevelt spoke in 1904. And much like America's space program, considerable funds will be required to reach our goals. CARA will provide the funds to begin this process.

FURTHER TESTIMONY SUBMITTED BY THE FOLLOWING PEOPLE: H.R. 701 TESTIMONY SUBMITTED FROM MARCH 31 THROUGH MAY 2,1999

Poulson, Barbara
Connell, WA

Naphy, Yolada
Vinemont, AL

Appel, Steve
Washington State Farm Bureau

Miller, Pamela
Arctic Connections

Warner, Richard
Association for Biodiversity Information

Baker, Michael A.
Arizona Association of Learning

Bailey, Mark H.
Bellingham, WA

Olson, Carl
State Department Watch

Beyer, LaVerne A.
Stockton, IL

James, Jerry
Hobart, IL

Mangham, C.H.
Mineral Wells, TX

Morton, Robert M.
The Wildlife Society, The Kentucky Chapter

Schmidt, George
Anchorage, AK

Trippet, Larie
Incline Village, NV

FURTHER TESTIMONY SUBMITTED BY THE FOLLOWING PEOPLE: H.R. 701 HEARING RECORD FROM MAY 3 THROUGH JUNE 11

Wentz, Alan
Ducks Unlimited, Inc.

Gordon, Gerald E.
Utah Wildlife Federation

Carpenter, L. Steven
Utah Recreation & Parks Association

Montana Department of Fish, Wildlife and Parks

Pfeiffer, Donald G.
Washington, IA

BRIEFING PAPER
ON
H.R. 701 - "CONSERVATION AND REINVESTMENT ACT"
H.R. 798 - "PERMANENT PROTECTION FOR AMERICA'S RESOURCES 2000"

This will be the third legislative hearing the Committee has held on H.R. 701 (Young, AK), *"Conservation and Reinvestment Act"* and H.R. 798 (Miller, CA), *"Permanent Protection for America's Resources 2000"*. We will continue to hold more hearings, as a mark-up is not contemplated until early summer.

CARA Summary:

- This bill resolves the inequity of oil and gas revenue distribution while providing for important conservation and recreation programs. It represents a responsible reinvestment of revenue from non-renewable resources into renewable resources of conservation and recreation for all 50 states and territories.

- The Senate companion bill titled *"The Conservation and Reinvestment Act of 1999"* (S. 25) is similar, but not identical.

In January 1999, the Clinton Administration unveiled a similar proposal titled *"The Lands Legacy Initiative"*. However, there are substantial differences. Some include:

★ **CARA's emphasis on <u>local government authority</u> and involvement.** This is a key element of the House legislation but diminished in the President's initiative.
★ **Protection of individual property rights** are included in the House legislation but excluded from the President's initiative.
★ **New restrictions on access to public lands** by creating new wilderness areas which is a focal point of the President's initiative but not included in the House legislation.

Title II – OCS Impact Assistance

- Creates a revenue sharing fund for coastal states and eligible local governments to mitigate the various unintended impacts of OCS activities and to support sustainable development of nonrenewable resources.
- This is accomplished **<u>without creating an incentive for new oil and gas development</u>** and will have **no impact on current OCS leasing moratoria** or the President's Executive Order concerning outer continental shelf leasing.
- 27% of OCS revenues distributed amongst 35 coastal states and territories.
- Distribution formula based on production, coastline miles, and population. A provision was added in the 106th Congress to **<u>ensure that areas held in moratoria are precluded</u>** from both revenue inflows and for the computation in determining a state and eligible political subdivision's allocation.
- 50% of the funds are shared with local governments (counties, boroughs, parishes) in states where Federal OCS production exists. In all other cases, 100% of the state's allocation would be directly allocated to the state government.

Title II — Land-based Conservation

- By reallocating 23% of OCS revenue, CARA guarantees stable and annual funding for the Land and Water Conservation Fund (LWCF) at its authorized $900 million level. This dedicated funding would provide for both the state and federal programs included in the LWCF.
- This title of the bill also includes funding for important recreation projects through the Urban Parks and Recreation Recovery Program (UPARR). More than $100 million would be dedicated to this important program annually.
- In Titles One and Two contain provisions to fund Payment In Lieu of Taxes (PILT). While the funds from these two titles are held in the Treasury for a year before disbursement they will accrue interest on approximately $2 billion; that interest will be **provided directly to PILT**.
- CARA includes amendments to the LWCF Act to make the long awaited improvements regarding the operation of the state-side matching grant program.
- While funding is provided for Federal land acquisition within the federal-side of the LWCF, there are some protections to note:
  - ✓ *The funding cap for Federal LWCF expenditures, included in CARA, is near the $300 million historical average for Federal LWCF appropriation;*
  - ✓ *Acquisition can only take place with willing sellers and is only allowed within Congressionally approved boundaries;*
  - ✓ *None of the funding provided for federal purposes may be used for the condemnation of any interest of property.*
  - ✓ *An Act of Congress must be passed to approve projects (acquisition, improvements, buildings, etc.) over $1 million; and*
  - ✓ *2/3 of the funding available must be spent east of the 100th meridian.*

Title III — Wildlife-based Conservation

- This title of the Conservation and Reinvestment Act of 1999 will reallocate 10% of the revenue gained from oil and gas development in the Federal waters of the outer continental shelf (OCS) to provide dedicated funding for wildlife conservation and education programs.
- This funding will not only accomplish the goals of *"Teaming With Wildlife"*, but surpass the level of funding anticipated with that proposal.
- CARA **will not** establish an excise tax.
- Title III funds will be distributed through the Federal Aid in Wildlife Restoration Fund also known as Pittman-Robertson (P-R). Since fiscal year 1939, Pittman-Robertson has collected and disbursed more than $3 billion for wildlife conservation and recreation projects across America. Made possible entirely through the efforts and taxes paid by sportsmen, the funds are derived from an eleven-percent excise tax on sporting arms and ammunition, ten-percent on pistols and revolvers, and an eleven-percent tax on archery equipment sold specifically for bow hunting.

Resources 2000 Summary:

- Provides annual funding for resource preservation;
- Limits funding source to revenues from leases in the Western & Central Gulf of Mexico that were in production by January 1, 1999. Prohibits inclusion of any dollars derived from lease sales issued on or after date of enactment;
- Provides automatic trigger to proportionally reduce funds in fiscal years in which the total amount of eligible revenues received is less than the amounts spelled out above;
- Provides $250 annually for operations and maintenance of National Parks, Wildlife Refuges, public lands administered by BLM, and National Forests;
- Caps administrative expenses at 2% for each activity;
- Does not include any private property restrictions such as a prohibition against condemnation of private lands; and
- Coastal title excludes local governments as an eligible recipient of funding and caps the total amount of funds available to a single state at 10% in a fiscal year.

Summary of Resources 2000 funding by program:

Land and Water Conservation Fund (Federal) funded at $450 million:
One-half of the annual $900 million allocation of the LWCF would be dedicated to Federal acquisition of lands authorized by Congress for our national parks, national forests, national wildlife refuges, and public lands.

Land and Water Conservation Fund (Stateside) funded at $450 million:
The other half would go for matching grants to the States (by formula and competitive grants) for the acquisition of lands or interests, planning, and development of outdoor recreation facilities.

UPARR funded at $100 million:
Provides matching grants to local governments to rehabilitate recreation areas and facilities, provide for the development of improved recreation programs, and to acquire, develop, or construct new recreation sites and facilities.

Historic Preservation Fund funded at $150 million:
Funding for the programs of the Historic Preservation Act, including grants to the States, maintaining the National Register of Historic Places, and administer numerous historic preservation programs.

Lands Restoration funded at $250 million:
Funds a coordinated program on Federal and Indian lands to restore degraded lands, protect resources that are threatened with degradation, and protect public health and safety.

Endangered and Threatened Species Recovery Fund funded at $100 million:
Funds implementation of a private landowners incentive program for the recovery of endangered and threatened species and the habitat that they depend on.

Ocean Fish/Wildlife Conservation, Restoration, and Management funded at $300 million: Funding for the conservation, restoration and management of ocean fish and wildlife of the United States through formula grants to coastal states (including Great Lakes States) and competitive, peer-reviewed grants to private entities. *$300 Million begins in FY 2005 and each year thereafter; (FY 2000-2001=$100 Million; FY 2002-2004=$200 Million annually)*

Native Fish/Wildlife Conservation, Restoration, Management funded at $350 million: Provides funding for the conservation, restoration and management of native fish, wildlife and plants through formula grants to the states for the development and implementation of comprehensive plans. *$350 Million begins in FY 2005 and each year thereafter;(FY 2000-2001=$100 Million; FY 2002-2004=$200 Million annually)*

Farmland and Open Space Preservation Grants funded at $150 million: Matching, competitive grants to state, local and tribal governments for open space planning, acquisition and administration of threatened farmland and urban forests, to help communities grow in ways that ensure a high quality of life and strong, sustainable economic growth.

Total Funding: $2.3 Billion

Staff Contact: Mike Henry, 225-9297

Federal Mineral Receipts
FY1997

	Revenues to Federal Gov.	Revenues Back to State
California	$190 Million $32.5 Offshore	$52.9 Million
Colorado	$74 Million	$37 Million
Utah	$68 Million	$34 Million
New Mexico	$376 Million	$188 Million
Wyoming	$478 Million	$239 Million
Louisiana	$3.2 Billion	$26 Million Offshore $800,000 Onshore

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