AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2004

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses, the statements and letters of those submitting written testimony are as follows:]

DEPARTMENT OF THE INTERIOR

PREPARED STATEMENT OF THE COLORADO RIVER BASIN SALINITY CONTROL FORUM

In Support of $5,200,000 to assist in Colorado River Salinity Control, Title II, and with support for the President's request for the Land Resources Subactivity: Soil, Water, and Air Management. Specifically, this testimony supports the President's request for the Soil, Water and Air account in the amount of $34,936,000 and for a designation that $800,000 be used to further advance Colorado River salinity control efforts.

This testimony is in support of funding for the Bureau of Land Management (BLM) for activities that assist the Colorado River Basin Salinity Control Program. The BLM budget, as proposed by the Administration in the BLM budget justification document, calls for four principle program priorities within the Soil, Water and Air Management. One of these priorities, in part, is "through continuing BLM measures to meet the international agreement for salinity of the Colorado River." It is also noted that in the budget justification document there are identified performance estimates for 2003 and it is stated that "The BLM continues to implement on-the-ground projects, evaluate progress in cooperation with Bureau of Reclamation and Natural Resources Conservation Service, and report salt-retaining measures in order to further the Plan of Implementation of the Federal Salinity Control program in the Colorado River Basin." The Forum believes that in fiscal year 2004 funds appropriated by Congress will be used for this purpose in this next fiscal year.

The seven Colorado River Basin States, through the Colorado River Basin Salinity Control Forum, have been trying to engage the BLM in a partnership with the Basin states as has been done with other federal agencies. This enhanced working relationship has been slow to develop. The Forum is encouraged by the words in the BLM budget document. The Forum supports the funding request. Our analysis indicates that the BLM needs to specifically target the expenditure of funds in the amount of $5,200,000 for activities that help control salt contributions from BLM managed lands in the Colorado River Basin in fiscal year 2004 with $800,000 being focused upon salinity control efforts.

Although the Forum has not been able to determine, to its satisfaction, how funds have been or will be spent, we are encouraged by recent BLM efforts. The Forum has requested that the BLM select a salinity coordinator for the basinwide program. This person would serve with the two full-time coordinators now in place for the USBR and the USDA. Salinity Coordinators in each of the state BLM offices have been identified.

The BLM has been charged by the Congress with preparing a special report as to how the Bureau will advance salinity control activities. In the past, it has been difficult to determine the extent of BLM efforts in the water quality program. It has

been very general in its accounting for accomplishments. The Forum hopes that the BLM report to the Congress, which is required under S. 1211 (Public Law 106–459), will better document the BLM efforts. The success of the BLM in controlling erosion and, hence, salt contributions to the Colorado River and its tributaries is essential to the success of the Colorado River Basin Salinity Control Program, including adherence to the water quality standards adopted by the seven Colorado River Basin states and approved by the Environmental Protection Agency. Inadequate BLM control efforts will result in very significant additional economic damages to water users downstream. The Forum submits this testimony in support of adequate funding so that the BLM programs can move ahead at a pace that is needed to meet these water quality standards.

OVERVIEW

The Colorado River Basin Salinity Control Program was authorized by Congress in 1974. The Title I portion of the Colorado River Basin Salinity Control Act responded to commitments that the United States made, through a minute of the International Boundary and Water Commission, to Mexico with respect to the quality of water being delivered to Mexico below Imperial Dam. Title II of the Act established a program to respond to salinity control needs of Colorado River water users in the United States and to comply with the mandates of the then newly enacted Clean Water Act. Initially, the Secretary of the Interior and the Bureau of Reclamation were given the lead federal role by Congress. This testimony is in support of funding for a portion of the Title II program.

After a decade of investigative and implementation efforts, the Basin states concluded that the Salinity Control Act needed to be amended. Congress revised the Act in 1984. That revision, while leaving implementation of the salinity control policy with the Secretary of the Interior, gave new salinity control responsibilities to the Department of Agriculture and to the Bureau of Land Management. Congress has charged the Administration with implementing the most cost-effective program practicable (measured in dollars per ton of salt removed). The Basin states are strongly supportive of that concept and have proceeded to implement their own salinity control efforts in the Colorado River Basin.

Since the congressional mandates of nearly two decades ago, much has been learned about the impact of salts in the Colorado River system. Reclamation recognizes that the damages to United States' water users alone is about $0.3 billion per year.

The Colorado River Basin Salinity Control Forum (Forum) is composed of Gubernatorial appointees from Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. The Forum has become the seven-state coordinating body for interfacing with federal agencies and Congress in support of the implementation of the salinity control program. In close cooperation with the Environmental Protection Agency (EPA) and under requirements of the Clean Water Act, every three years the Forum prepares a formal report analyzing the salinity of the Colorado River, anticipated future salinity, and the program elements necessary to keep the salinities at or below the levels measured in the river system in 1972.

The plan necessary for controlling salinity has been captioned the "plan of implementation." The 2002 Review of water quality standards includes an updated plan of implementation. The level of appropriation requested in this testimony is in keeping with the agreed to plan. If adequate funds are not appropriated, state and federal agencies involved are in agreement that the damage from the high salt levels in the water will be even more widespread in the United States and Mexico.

JUSTIFICATION

The BLM is, by far and away, the largest land manager in the Colorado River Basin. Much of the land that is controlled and managed by the Bureau of Land Management is heavily laden with salt. Past management practices, which include the use of lands for recreation; for road building and transportation; and for oil, gas, and mineral exploration have led to man-induced and accelerated erosional processes. When soil and rocks heavily laden with salt erode, the silt is carried along for some distance and ultimately settles in the streambed or flood plain. The salts, however, are dissolved and remain in the river system causing water quality problems downstream.

The Forum believes that the federal government has a major and important responsibility with respect to controlling salt contributions from public lands. Congress charged federal agencies, including the BLM, to proceed with measures to control the salinity of the Colorado River, with a strong mandate to seek out the most cost-effective options. It has been determined that BLM's rangeland improvement

programs can lead to some of the most cost-effective salinity control measures available. These salinity control measures may be more cost-effective than some now being considered for implementation by the Bureau of Reclamation and by the Department of Agriculture. They are very environmentally acceptable, as they will prevent erosion, increase grazing opportunities, increase dependable stream flows, and enhance wildlife habitat.

Through studying hundreds of watersheds in the States of Utah, Colorado, and Wyoming, consortiums of federal and state agencies, including the BLM, have selected several watersheds where very cost-effective salinity control efforts could be implemented immediately. In keeping with the Congressional mandate to maximize the cost-effectiveness of salinity control, the Forum is requesting that the Congress appropriate and the administration allocate adequate funds to support the Bureau of Land Management's portion of the Colorado River salinity control program as set forth in the Forum's adopted plan of implementation.

BLM has not had a history of always adequately reporting its efforts, the associated expenditures and its accomplishments with respect to Colorado River salinity control. Legislation passed in 2000, S. 1211, requires the BLM to report its program for salinity control to the Congress. The Forum supports this requirement and looks forward to the filing of the report, which, by law, must also be filed with the Colorado River Basin Salinity Control Advisory Council.

PREPARED STATEMENT OF THE COLORADO RIVER BOARD OF CALIFORNIA

Support for fiscal year 2004 Federal Funding of $5.2 Million for the Department of the Interior—Bureau of Land Management to assist in the Colorado River Basin Salinity Control Program, with $800,000 to be designated specifically to salinity control efforts.

Your support and leadership are needed in securing adequate fiscal year 2004 funding for the Department of the Interior-Bureau of Land Management with respect to the federal/state Colorado River Basin Salinity Control Program. This program is carried out as a part of ecosystem and watershed management pursuant to the Colorado River Basin Salinity Control Act and the Clean Water Act.

As you are aware, the Bureau of Land Management (BLM) is the largest landowner in the Colorado River Basin. Due to geological conditions, much of the lands that are controlled and managed by the BLM are heavily laden with salt. Past management practices have led to man-induced and accelerated erosional processes from which soil and rocks, heavily laden with salt have been deposited in various stream beds or flood plains. As a result of this disposition, salt is dissolved into the River System causing water quality problems downstream.

Congress has charged federal agencies, including the BLM, to proceed with programs to control the salinity of the Colorado River. BLM's rangeland improvement programs can lead to some of the most cost-effective salinity measures available. These salinity control measures may be more cost-effective than some now being considered for implementation by the Bureau of Reclamation through its Basinwide Program and by the Department of Agriculture through its EQIP program. In keeping with the Congressional mandate to maximize the cost-effectiveness of the salinity control program, the Colorado River Board is requesting that Congress appropriate and the administration allocate adequate funds to support BLM's portion of the Colorado River Basin Salinity Control Program.

The Colorado River Board of California, the state agency charged with protecting California's interests and rights in the water and power resources of the Colorado River System, requests that Congress appropriate $5,200,000 of these funds in fiscal year 2004, to accomplish activities that BLM either has underway or should initiate in order to further control the concentrations of salinity of the Colorado River. It is particularly important that the BLM's line item for *Management of Lands and Renewal Resources* be adequately funded. The Colorado River Board urges the Subcommittee to specifically mark, $800,000 from this line-item for the Colorado River Basin Salinity Control Program as has been the direction to BLM from the Subcommittee in past years.

Soon your Subcommittee will receive testimony from the Colorado River Basin Salinity Control Forum (Forum) on behalf of the seven Colorado River Basin states. The Colorado River Board concurs in the fiscal year 2004 funding request and justification statements for BLM as set forth in the Forum's testimony.

California's Colorado River water users are presently suffering economic damages, estimated at $300 million per year, due to the river's salinity, as stated in a recent report prepared by the Bureau of Reclamation and the Metropolitan Water District of Southern California. In addition, the federal government has made significant

commitments to the Republic of Mexico and to the seven Colorado River Basin states with regard to the delivery of quality water to Mexico. In order for those commitments to be honored, it is essential that in fiscal year 2004 and in future fiscal years, that Congress provide funds to the Bureau of Land Management for its activities.

The Colorado River is, and will continue to be, a major and vital water resource to the 17 million residents of southern California. Preservation of its quality through an effective Salinity Control Program will avoid the additional economic damages to river users in California.

The Board greatly appreciates your support of the Colorado River Basin Salinity Control Program and asks for your assistance and leadership in securing adequate funding for this vital program.

PREPARED STATEMENT OF THE DORIS DAY ANIMAL LEAGUE

The Doris Day Animal League is a non-profit, member supported animal advocacy organization located in Washington, D.C. On behalf of our more than 350,000 members and supporters, we respectfully present to the subcommittee our concerns about the Bureau of Land Management's (BLM) Wild Horse and Burro Program (Program).

In 1971, Congress charged the BLM with preserving America's wild horses and burros via passage of the Wild Free-Roaming Horse and Burro Act. The Act declares that "wild free-roaming horses and burros are living symbols of the historic and pioneer spirit of the West . . . [who] shall be protected from capture, branding, harassment or death." Further, they are to be considered as "an integral part of the natural system of the public lands."

We are gravely concerned that the BLM is failing to fulfill this mandate, and instead is engaging in questionable and unsustainable practices under the guise of multiple-use land management. While the BLM has several mandates and must appease various interested parties, it should not do so at the expense of the very animals and land it is charged with protecting.

In fiscal year 2001, the BLM requested and received a $9 million budget increase from Congress to implement a four year program to halve the number of wild horses on the range in order to restore the health of the land. Despite the agency's failure to meet its own goals, this new level of funding was effectively maintained in fiscal years 2002 and 2003.

The BLM's plan raised several questions, not least of which was, where would the thousands of rounded-up horses go? Although the BLM has recognized the shortage of good adoptive homes and has subsequently made a commendable effort to open additional long-term holding facilities to accommodate these horses, it is unclear how the agency can sustain this plan of action; as more horses are rounded up, additional facilities and homes are needed, yet the agency's budget remains essentially static.

Already, BLM spends some 40 percent of its annual budget on holding and caring for horses and burros removed from the range. Nearly 40 percent of the program budget goes to administering and marketing an adoption program that can never be expected to absorb the thousands of wild horses and burros rounded up annually. In contrast, little more than 3 percent of the budget is devoted to range work, including monitoring and censusing of wild horse populations, even though such work is critical to the successful management of wild horse and burro populations and the range itself.

Despite some grazing reductions in recent years, domestic livestock still so dramatically outnumber wild horses on BLM land (the ratio is estimated to be 50:1) that the removal of tens of thousands of horses has not had a significant impact on the health of the range. As a GAO report from 1990 stated, ". . . the primary cause of degradation in rangeland resources is poorly managed domestic livestock (primarily cattle and sheep) grazing . . . wild horses are vastly outnumbered on federal rangelands by domestic livestock . . ." (Rangeland Management: Improvements Needed in Federal Wild Horse Program, GAO, 1990). Our observations and experience in working with this program over the past several years reinforce that this is still very much the case.

We therefore respectfully urge this subcommittee to carefully scrutinize the BLM's request for funding for fiscal year 2004. While we do not oppose the agency receiving additional funds, we do not agree that the health of the range can be noticeably improved simply through the removal of large numbers of wild horses. Not only does this not yield significant improvements in range conditions, but the strategy also is financially unsustainable.

As such, we strongly suggest that a new GAO Report on the BLM's Program be conducted to determine if its wild horse and burro policies are appropriate when viewed as part of the agency's larger mission. Further, in light of the huge number of wild horses and burros being rounded up through emergency and scheduled gathers, it is imperative that the "no-kill" provision that has been attached to the Interior Appropriations bill for several years now remain intact. That provision reads:

"The appropriations made herein shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors."

Thank you for your consideration.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

BUREAU OF LAND MANAGEMENT (BLM)

The Bureau of Land Management (BLM) manages some 262 million acres of the Nation's public lands, which is 48 per cent of our total public lands, making it the single largest natural resource management agency in terms of acres managed. Yet its operating budget amounts to a funding rate of $3.73 per acre, about $4–$16 less per acre than the three other largest Federal land and natural resource management agencies. These lands provide critically important fish and wildlife habitat, and, in 2004, over 60 million visitors are expected to participate in recreational opportunities for fishing, hunting, camping, rafting, hiking, mountain biking, and wildlife viewing. The Association is concerned that the fiscal year 2004 budget proposes essentially a static funding level. This will continue to present significant challenges to BLM to even maintain current levels of activity on these public lands, without providing the agency any capability to enhance its management presence and programs. Congress needs to begin to incrementally increase BLM's operational budget to bring it into parity with the other Federal land management agencies.

The BLM's Fish and Wildlife Priorities

While the Association appreciates the fact the Secretary of the Interior has revised the Cooperative Conservation Initiative, as well as increased the Challenge Cost Share Program, we also recognize that these undertakings are largely made possible by reallocating money from existing resource-based programs. For example, in fiscal year 2003, $5.5 million—over 60 percent—of the funding for the Challenge Cost Share Program originated from the wildlife, fisheries and T&E species programs. Since a like amount is not guaranteed to be used for these same purposes, the long-term implications are a reduction of program emphasis. The Association, therefore, requests funding for the Challenge Cost Share program not come from existing programs and those redirected funds be returned to the budget of origin. In addition to the source of funding, the Association remains very concerned that BLM does not have the staff to take full advantage of either the Cooperative Conservation Initiative or the Challenge Cost Share Program.

Wildlife Management

Consumptive (hunting and fishing) and non-consumptive wildlife activities (such as viewing, photography and conservation education) on public lands provide millions of America's outdoor enthusiasts with opportunities to pursue these endeavors, which are part of our Nation's rich cultural heritage. Such activities on BLM lands result in $2 billion in expenditures from participants each year. The Administration's fiscal year 2004 budget for BLM's Wildlife Management program is $22.42 million, which is nearly identical to the fiscal year 2003 enacted level, but nearly $2.9 million (13 percent) below the fiscal year 2002 enacted level. The Association strongly urges Congress to increase BLM's fiscal year 2004 wildlife management budget by an additional $4 million. The return for this investment in expenditures in local communities is significant.

Fisheries Management

The BLM manages roughly 117,000 miles of fish bearing streams, 17,000 miles of anadromous fish habitat, and 3 million acres of fishable lakes and reservoirs which provide recreational anglers with high quality fishing opportunities, generating $390 million annually in economic benefits. In order to manage these resources, the Administration is requesting $11.87 million in fiscal year 2004 for Fisheries Management. This represents a program increase of $200,000 from the fiscal year 2003 enacted budget, but remains nearly $250,000 below the fiscal year 2002

enacted budget. This will reduce BLM's aquatic and riparian habitat restoration capabilities on vital public lands. Management activities will focus on the maintenance and restoration of habitat for both anadromous and resident species. These improvements are aimed at providing recreational angling opportunities and precluding the need for the listing of fish stocks as threatened or endangered under the Endangered Species Act. The Association strongly encourages Congress to increase this budget by an additional $1 million.

Threatened and Endangered Species

Lands administered by BLM provide habitat to more than 900 vulnerable and declining species and 306 threatened or endangered plant and animal species. The latter number has more than doubled since 1990. Like other Federal agencies, the Bureau is mandated by the Endangered Species Act to take steps to ensure that strategies are implemented to protect and restore both the species and the habitat that they require. With the rapid increase in the number of listed species, however, BLM's Threatened and Endangered Species Program has transformed from one of proactive species conservation management to one that, out of necessity, must react to the increasing consultation workload.

In the Conference Report from the Committee on Appropriations on the 2001 Department of Interior Appropriations Bill, the Committee specifically requested the Bureau to, "submit as part of its fiscal year 2002 budget request the results of its ongoing analysis and review of the impacts of ESA listings on the ability of the Bureau to accomplish its mission while at the same time responding to the growing demand for use authorization requests". The Committee also requested the Bureau to, "provide a detailed roadmap of how it intends to address these impacts, including the level of funds and other resources that would be required to address these problem areas".

In its Report to Congress, dated March, 2001, and entitled "Effects of Endangered Species Act Listings on Bureau of Land Management Programs and Activities," the agency concluded the following: ". . . BLM is proposing a future management strategy that streamlines the consultation process, enhances pre-listing management through the development of multi-species conservation frameworks, and aggressively addresses recovery actions identified in formal species recovery plans. This strategy will be integrated within the framework of the Bureau's strategic plan. It will require doubling the current Threatened and Endangered Species budget to $48 million and take an additional 70 staff positions over 5 years . . .".

The President requests $21.83 million in fiscal year 2004 for BLM threatened and endangered species management, which represents a $543,000 increase from the fiscal year 2003 request, but totally ignores the aforementioned Report to Congress. The request is woefully inadequate to meet identified needs or allow the BLM to carry out its responsibilities under the ESA—or for that matter—its mission. Significant increases in funding are needed in fiscal year 2004 and the next several years to accomplish what was recommended in the 2001 Report to Congress—that is: ". . . At that time, funding and personnel needs should stabilize, and begin to decline as species recovery becomes effective". In view of this gross inequity between resource needs versus funding levels, the Association strongly encourages Congress to add an additional $5 million to the Threatened and Endangered Species fiscal year 2004 budget.

BLM Fish & Wildlife Staffing

The Association supports the previously-referenced programs and Bureau funding requests (with the recommended changes), however, we remain extremely concerned that at current staffing levels, the Bureau and its field staff will be unable to meet its program and statutory requirements. The western states' population has more than tripled, to over 60 million people, over the past 55 years, while the Nation's largest land management agency's staff has declined. At current staff levels, biologists are often forced to divide their time between on-the-ground program implementation efforts and other program requirements, which may or may not provide direct fish or wildlife benefits.

Evaluations of staffing needs by BLM have shown that the Bureau is lacking in staff to accomplish program goals. For example, a 1990 study of the Fish, Wildlife, and Forest Group showed that BLM was in need of three times its workforce at that time. Exacerbating the problem is the fact that the fisheries and wildlife staffing levels have declined 20 percent since that time. Further, a recent workforce evaluation showed that with its current level of staffing in fisheries and wildlife, the BLM is staffed at only 50 percent and 57 percent, respectively, of its 1993 identified needs. More recently, the March, 2001, Report to Congress concluded it would take an additional 70 staff positions over five years to address its consultation, pre-listing

management and recovery actions under the ESA. Nowhere in the fiscal year 2004 budget request are these staffing needs addressed. Given the increased emphasis in this budget on accelerating the completion of land use plans and expanding energy development on public lands, these staffing shortages are resulting in fish and wildlife resources being inadequately addressed in agency actions.

The Association understands the entire Wildlife and Fisheries Management Program has just undergone a complete review and the findings will be made public in the coming months. It is our sincere hope that recommendations contained therein will help guide preparation of the fiscal year 2005 and subsequent budgets. The Association asserts it is critical that the BLM be provided both the adequate staff and additional operating funds needed to implement its base programs in order to be effective in managing aquatic and terrestrial resources on public lands. These programs can help point the way towards both wildlife sustainability and economic stability and development.

Because of these ongoing staffing shortages, the BLM has to utilize more and more contract employees to do much of its work related to planning efforts and on-the-ground monitoring, and this past year implemented an intern program with the Institute for Plant Conservation Biology. While the Association understands the use of contract employees and graduate students, we would encourage the BLM to explore ways to partner with State fish and wildlife agencies—through MOUs and funding agreements—to help accomplish its work related to wildlife and fisheries and threatened and endangered species management. This, in fact, should be aggressively pursued. This approach would help utilize existing expertise from the States who have management authority over resident species and expand the state-federal partnership necessary to perpetuate the diversity of flora and fauna of Western rangelands.

The BLM needs to coordinate closely with the respective State fish and wildlife agencies so that programs and activities do not compromise State jurisdictional authorities for fish and resident wildlife and to facilitate the cooperative design and conduct of research and management programs. Collaborative efforts between the BLM and the State fish and wildlife agencies play a critical role in achieving land and resource objectives for species and related resources. The Association recommends that funds be made available to the States to maximize discretion of the States in fish and wildlife information and management needs, wherever possible, instead of duplicating or authorizing conflicting programs.

On a related matter, the Association continues to be deeply concerned that, as part of the Federal Activities Inventory Reform Act (FAIR) inventory, wildlife biology is one of the position categories that has been identified for possible outsourcing (i.e., contracting) to the private sector. We are adamantly opposed to any action that might result in the reduction or elimination of Federal career professionals being responsible for day-to-day oversight and management of the Nation's public land resources.

Finally, with the increased emphasis on energy development on BLM lands being advocated by the Administration, increased demands and needs for fish and wildlife expertise are expected. Already, approximately 30 percent of existing wildlife and fisheries staff time is being directed at energy-related functions. The Association strongly supports hiring additional fish and wildlife staff to address these critical program areas in the context of addressing the Nation's Energy Policy, but recommends these positions be directly funded from the energy account, rather than extracted from the existing base Wildlife Management, Fisheries Management or Threatened or Endangered Species Program budgets.

Riparian Management

The BLM manages over 23 million acres of land classified as riparian or wetland. These areas include or support some of the most ecologically diverse and important plant and animal communities on the public lands. These areas have ecological significance far beyond their small acreage. They provide vital habitat components for hundreds of fish and wildlife species, filter sediment from water, afford greater water storage capacity, dissipate flood waters and offer excellent recreational opportunities. For these reasons and more, the Association supports BLM efforts in riparian areas, but remains concerned that the requested $21.97 million is insufficient to meet all of the identified needs. This amount, in addition to inflation and uncontrollables, is actually far less than what has been devoted to this important work in prior years. Given the potential for partnerships this program provides with other State and local interests, it is disheartening to see any lessening of attention paid these important resources. The Association requests that Congress add $3 million to this program, and urges BLM to continue its coordination with State fish and wildlife agencies in order to achieve optimal program results.

Rangeland Management

The Association is encouraged by BLM's efforts to address the problem of invasive and noxious weeds on public lands and recommends a more focused effort to address high priority invasive species that are serious problems for fish and wildlife habitat. The Association supports a fiscal year 2004 budget of $9.4 million for invasive weed management, rather than the $8.3 million being requested. We also encourage Congress to add $3 million for local and State efforts to combat invasive weeds.

Realty and Ownership Management

The Association recommends reinstatement of the proposed reduction of $2 million in the Alaska Conveyance and Lands program in the fiscal year 2004 budget. This reduction, coupled with absorption of nearly half of the uncontrollables, will significantly impact this program. Completion of this program is long overdue and critical for the State and native corporations to receive their land entitlements under the Alaska Native Claims Settlement Act and Alaska Statehood Act, both of which are several decades old. Until the land conveyances are complete, it is difficult for Federal and State agencies and private landowners to make land management decisions affecting State fish and wildlife management, public access, and land uses.

In addition, we urge the BLM to redirect to actual land conveyances any funds currently being used for the "2001 Public Easement Review Process" in the Alaska region. Until the conveyance process is complete, any agency resources spent on the "2001 Process" is premature. Existing regulations already prescribe an easement vacation process that can be used when needed. We recommend the BLM focus on signing and marking of easements to reduce trespass and land management issues. We urge the funds currently being spent on expediting vacations be more appropriately spent on completing land conveyance itself and the management of existing easements.

Monitoring

The Association understands the fiscal year 2004 budget request for BLM includes $1 million to conduct long-term, large-scale, "cumulative effects" resource monitoring. We support this effort and the manner in which these fiscal resources are included in the appropriate programs including wildlife management; fisheries management; soil, air and water; and cultural resources. Conversely, BLM is proposing $500,000 to expand resource monitoring to increase its ability to assess the cumulative impact of oil and gas development, especially on cultural resources and species-at-risk. This effort is targeted at states where coalbed natural gas development is occurring. However in this instance, the funding is contained in the oil and gas account. The Association supports this monitoring, but recommends the fiscal resources to conduct this work be allocated within the appropriate program area budget where biological and cultural resource expertise exists.

Wild Horse and Burro Management

The Association remains very concerned about the BLM's inability to reach appropriate population levels for wild horses and burros on western rangelands and the resulting habitat damage, being further worsened by the continuing region-wide drought. In some instances, resource damage caused by excessive numbers of wild horses and burros will never recover, and in other areas, the situation is reaching crisis proportions. Yet, the President's fiscal year 2004 budget request for this program is $295,000 less than the fiscal year 2003 enacted budget. This is simply an inconsistent response to a significant resource problem. The Association, therefore, recommends Congress increase this budget by an additional $500,000 in fiscal year 2004 and require BLM—if not already scheduled—to undertake a complete review of the Wild Horse and Burro Management Program and have it accompany the fiscal year 2006 budget request. Not to be lost in this recommendation is the importance of the fact that BLM's existing Wild Horse and Burro Management Program—which is funded at $29.7 million for fiscal year 2003—already exceeds what is committed for its Fisheries Management ($11.7 million); Threatened and Endangered Species ($21.7 million); and Wildlife Management ($22.4 million) programs during the same period. This further validates the Association's earlier assertion that the latter three program areas are grossly under-funded, by comparison.

PREPARED STATEMENT OF THE NEW MEXICO INTERSTATE STREAM COMMISSION

SUMMARY

This Statement is submitted in support of fiscal year 2004 appropriations for Colorado River Basin salinity control program activities of the Bureau of Land Management. I urge that $5,200,000 be appropriated for the Bureau of Land Management for activities that benefit the control of salinity in the Colorado River Basin, and of that amount, $800,000 be marked specifically for the Colorado River Basin Salinity Control Program. In addition, I support the President's requested appropriation of $34,936,000 for the Land Resources Subactivity: Soil, Water, and Air Management.

STATEMENT

The Colorado River Basin Salinity Control Forum is comprised of representatives of the seven Colorado River Basin States appointed by the respective Governors of the States. The Forum has examined all of the features needed to control the salinity of the Colorado River. Those features include activities by the States, the Bureau of Reclamation, the Department of Agriculture, and the Bureau of Land Management (BLM). The salinity control program has been adopted by the seven Colorado River Basin States and approved by the EPA as a part of each state's water quality standards. Also, water delivered to Mexico in the Colorado River is subject to Minute 242 of the United States treaty with Mexico that sets limits on the salinity of the water.

About 75 percent of the land in the Colorado River basin is owned, administered or held in trust by the federal government. BLM is the largest landowner in the Colorado River Basin, and manages public lands that are heavily laden with salt. When salt-laden soils erode, the salts are dissolved and remain in the river system affecting the quality of water used from the Colorado River by the Lower Basin States and Mexico. BLM needs to target the expenditure of $5,200,000 in fiscal year 2004 for activities that benefit salinity control in the Colorado River Basin: In addition, BLM needs to target the expenditure of $800,000 of the $5,200,000 specifically for salinity control projects and technical investigations. Experience in past years has shown that BLM projects are among the most cost-effective of the salinity control projects.

I believe that the Federal government has a major and important responsibility with respect to controlling salt discharge from public lands. Congress has charged the federal agencies to proceed with programs to control the salinity of the Colorado River Basin with a strong mandate to seek out the most cost-effective solutions. BLM's rangeland improvement programs can lead to some of the most cost-effective salinity control measures available. In addition, these programs are environmentally acceptable and control erosion, increase grazing opportunities, produce dependable stream run-off and enhance wildlife habitat.

The water quality standards adopted by the Colorado River Basin States contain a plan of implementation that includes BLM participation to implement cost effective measures of salinity control. BLM participation in the salinity control program is critical and essential to actively pursue the identification, implementation and quantification of cost effective salinity control measures on public lands.

Bureau of Reclamation studies show that damages from the Colorado River to United States water users are about $300,000,000 per year. Control of salinity is necessary for the Colorado River Basin States, including New Mexico, to continue to develop their compact-apportioned waters of the Colorado River. The Basin States are proceeding with an independent program to control salt discharges to the Colorado River, in addition to up-front cost sharing with Bureau of Reclamation and Department of Agriculture salinity control programs. It is vitally important that BLM pursue salinity control projects within its jurisdiction to maintain the cost effectiveness of the program and the timely implementation of salinity control projects to avoid unnecessary damages in the United States and Mexico.

For much of the last decade or more, there has been a protracted problem with BLM accounting and reporting on salinity control efforts. Congress required, by Public Law 106–459, that BLM report to Congress on its salinity control efforts. I fully support the action by Congress to require BLM to report on its accomplishments within the salinity control program. Accounting and reporting BLM salinity control accomplishments annually is an essential activity to provide a coordinated, cost effective salinity control program.

At the urging of the Basin States, BLM has agreed to create a full time position to coordinate its activities among the BLM state offices and other federal agencies involved in implementation of the salinity control program. BLM is to be com-

mended for this important first step to improve cooperation and coordination with the Basin States and other federal agencies, and to comply with BLM responsibilities pursuant to the Colorado River Basin Salinity Control Act, as amended. The Basin States and I are pleased with the current BLM administration's responsiveness in addressing the need for a salinity coordinator and are hopeful that submittal of the required report to Congress will signal a renewed effort by BLM to identify and implement projects to address the salinity control objectives required to maintain the water quality standards for salinity. It is commendable that BLM's budget focuses on ecosystems and watershed management, but it is essential that funds be targeted on specific subactivities and the results of those expenditures reported. This is necessary for accountability and effectiveness of the use of the funds.

I request the appropriation of $5.2 million in fiscal year 2004 for Colorado River salinity control activities of BLM, and that $800,000 of that amount be marked specifically for the Colorado River Basin Salinity Control Program, including projects and technical investigations. In addition, I request the appropriation of $34,936,000 for the Land Resources Subactivity: Soil, Water, and Air Management as requested by the President. I very much appreciate favorable consideration of these requests. I fully support the statement of the Colorado River Basin Salinity Control Forum submitted by Jack Barnett, the Forum's Executive Director, in request of appropriations for BLM for Colorado River salinity control activities.

PREPARED STATEMENT OF THE WILDLIFE MANAGEMENT INSTITUTE

The Wildlife Management Institute (WMI) is a nonprofit organization staffed by experienced resource management professionals and is dedicated to sound, scientific management of wildlife and wildlife habitats. This letter contains our comments on the Administration's proposed fiscal 2004 budget for the Bureau of Land Management (BLM). In particular, we propose increases of $40 million for the Wildlife and Fisheries program, a $50 million increase for the Threatened and Endangered Species program, and a $10 million increase for the Riparian Area Management program.

The BLM manages some 262 million acres of the nation's public lands, which is 48 percent of our total public lands, making it the single largest natural resource management agency in terms of acres managed. These lands provide critically important fish and wildlife habitat, and, in 2004, over 60 million visitors are expected to participate in recreational opportunities for fishing, hunting, camping, rafting, hiking, mountain biking, and wildlife viewing. In contrast, the energy and mineral production components of BLM's mission often pose extreme threats to wildlife resources and associated recreation. These circumstances merit an ongoing commitment to funding sound wildlife management.

Hunting and non-consumptive wildlife activities (Such as viewing, photography and conservation education) on public lands provide millions of America's outdoor enthusiasts with opportunities to pursue these endeavors. Such activities on BLM lands result in $2 billion in expenditures from participants each year, most of this spent in rural communities. The Administration's fiscal 2004 budget for BLM's Wildlife Management Program is $22.42 million, which remains $2.9 million (13 percent) below the fiscal 2002 enacted level. WMI strongly urges your subcommittee to increase BLM's fiscal 2004 wildlife management budget by an additional $4 million to $26.42 million.

The BLM manages roughly 117,000 miles of fish bearing streams, 17,000 miles of anadromous fish habitat, and 3 million acres of fishable lakes and reservoirs, which provide recreational anglers with high quality fishing opportunities, generating $390 million annually in economic benefits. Yet, the Administration is requesting $250,000 less than was enacted in fiscal 2002. This will reduce BLM's aquatic and riparian habitat restoration capabilities on vital public lands. WMI encourages your subcommittee to increase the agency's fisheries budget by an additional $1 million to $12.87 million.

Lands administered by BLM provide habitats to more than 900 vulnerable and declining species and 306 threatened or endangered plant and animal species, and these numbers are increasing. With the rapid increase in the number of listed species, however, BLM's Threatened and Endangered Species Program has transformed from one of proactive species conservation management to one that, out of necessity, must react to the increasing consultation workload. The BLM is proposing a future management strategy for at-risk species that streamlines the consultation process, enhances pre-listing management through the development of multi-species conservation frameworks, and aggressively addresses recovery actions identified in formal species recovery plans. This strategy will be integrated within the framework

of the Bureau's strategic plan, and is projected to cost the agency $30 million above current authorized funding levels. The Administration is requesting $21.83 million in fiscal 2004 for BLM threatened and endangered species management, but this request is woefully inadequate to meet identified needs or allow the BLM to carry out its responsibilities under the ESA—or for that matter, its mission. Significant increases in funding are needed in fiscal 2004 and the next several years. In view of the inequity between resource needs and appropriated funding levels, WMI encourages your subcommittee to increase the Threatened and Endangered Species fiscal 2004 budget for the BLM to $27 million. Failing to provide adequate fiscal support for these programs will allow further unnecessary declines in sensitive species populations, resulting in even greater costs for future restoration and management.

We support the Administration's requested increase of $15.11 million for Resource Management and Planning to $48.146 million. We understand these funds are to expedite the development of 37 land management plans, but we are concerned that the BLM will overlook the need to balance biological and other resource monitoring with the rush to accelerate energy development. We believe these plans should provide guidelines for management of public lands for the next 15 years and that they should require an orderly development of energy resources. We recommend that each land management plan have an annual monitoring plan, and that funding be appropriated to conduct and analyze the data.

The BLM has identified a need of approximately $140 million to implement 13 ecosystem restoration initiatives over the next four years; almost half of which deal with sagebrush/sage grouse, lesser prairie-chicken or prairie dog habitats (BLM's Sagebrush and Prairie Grassland Initiatives). These innovative restoration projects range from the Arctic Tundra and Boreal Forests in Alaska to the Chihuahuan and Sonoran Deserts in Arizona, New Mexico, and Texas. Without additional funding, BLM will have no choice but to delay action on these initiatives. While the total cost to restore these ecosystems is high, it will be even more expensive to restore them in the future. We recommend you subcommittee to provide at least $2 million to the BLM to implement the Sagebrush and Prairie Grassland Initiatives (particularly to support the efforts of the High Plains Partnership). Importantly, other State and Federal agencies, as well as private organizations, are poised to fund closely allied efforts for these initiatives, so BLM has a unique opportunity to leverage its expenditures, if appropriate funding is provided.

We are concerned about the agency's request not to provide funding to the National Fish and Wildlife Foundation (NFWF). The foundation leverages more than $3 private for every Federal dollar invested. The collaborative and cooperative projects supported by the NFWF resolve real conflicts in conservation and land management that otherwise would lead to gridlock and extreme cost. We recommend that your subcommittee provide $1 million in the BLM's budget for the National Fish and Wildlife Foundation.

The Wildlife Management Institute is concerned that at current staffing levels, the Bureau and its field staff will be unable to meet its program and statutory requirements. The western states' population has more than tripled—over 60 million people—over the past 55-years, while the nation's largest land management agency's staff has declined. At current staff levels, biologists are often forced to divide their time between on-the-ground program implementation efforts and other program requirements; which may or may not provide direct fish or wildlife benefits. Exacerbating the problem is the fact that the fisheries and wildlife staffing levels have declined 20 percent in recent years. Nowhere in the Administration's fiscal 2004 budget request for the agency are these staffing needs addressed. Given the increased emphasis in this budget on accelerating the completion of land use plans and expanding energy development on public lands, these staff and skill shortages are resulting in fish and wildlife resources being inadequately addressed in agency actions. We request that your subcommittee provide the BLM with the authority and funding for staff and operation resources necessary to implement its base programs in order to be effective in managing aquatic and terrestrial resources on public lands. We also encourage your subcommittee to direct the BLM to explore ways to partner with State fish and wildlife agencies, other Federal agencies and professional private wildlife groups and individuals—through MOUs and funding agreements—to help accomplish its work related to wildlife and fisheries and threatened and endangered species management. However, we are opposed to any action that might result in the reduction or elimination of Federal career fish or wildlife professionals who are responsible for day-to-day oversight or management of the nation's public land resources.

The BLM needs to coordinate closely with the respective State fish and wildlife agencies so that programs and activities do not compromise State jurisdictional authorities for fish and resident wildlife and to facilitate the cooperative design and

conduct of research and management programs. Collaborative efforts between the BLM and the State fish and wildlife agencies play a critical role in achieving land and resource objectives for species and related resources. WMI recommends that funds be made available to the States to maximize discretion of the States in fish and wildlife information and management needs, wherever possible, instead of duplicating or authorizing conflicting programs.

Finally, the increased emphasis on energy development on public lands by the Administration has placed a heavy burden on BLM's professional fish and wildlife staff. Already, approximately 30 percent of existing wildlife and fisheries staff time is being directed at energy-related functions yet charged to fisheries and wildlife program elements. WMI recommends that your subcommittee direct the BLM to ensure that energy accounts pay for the costs related to energy development. Further, WMI recommends that your subcommittee strongly support hiring additional fish and wildlife staff by the BLM to address these critical program areas, but again, we recommend these positions be directly funded from the energy account, rather than extracted funds from Wildlife management, Fisheries Management or Threatened or Endangered Species Program budgets. Without addressing these fish and wildlife staffing and skill needs, the orderly development of our energy resources could be curtailed and make activities more vulnerable to legal challenge. We believe Congress should invest more in assuring that high profile fish and wildlife resources are treated before development creates a crisis.

Thank you for considering our comments, and we look forward to working with you and your staff throughout the appropriation process as we learn more details about the Administration's budget request and needs. If you or your staff would like to discuss our recommendations further, please contact me or Terry Riley, Director of Conservation, at (202) 371–1808.

PREPARED STATEMENT OF THE ALASKA DEPARTMENT OF FISH AND GAME

REQUESTING $100 MILLION FOR STATE WILDLIFE GRANTS PROGRAM IN FISCAL YEAR 2004

The mission of the Alaska Department of Fish and Game is to manage, protect, maintain, and improve the fish, game and aquatic plant resources of Alaska. The ability of the Department to carry out this mission is greatly enhanced by federal funding provided by the State Wildlife Grants (SWG) Program.

The Department appreciates the significant support this committee has given to the SWG Program over the past several years. This relatively new funding source has enabled us to initiate new programs needed to monitor low and declining species in Alaska, especially those not hunted or fished. We have commenced new research programs to monitor amphibians, neotropical migratory birds, and a variety of individual species, including the Queen Charlotte Goshawk, which was recently petitioned to be listed as a threatened species, largely because little was known about the bird. We have also initiated a comprehensive planning effort, aimed at identifying those species most in need of management attention.

Unfortunately, in fiscal year 2003 funding for this program was cut substantially from $85 million to $65 million. This represented a breach in the commitment made to supporters of Conservation and Reinvestment Act legislation, when—as a compromise—Congress created the Conservation Trust Fund within the fiscal year 2001 appropriations bill. The intention was to fund these programs for six years and to increase funding by 10 percent annually. This occurred for the first two years; however, last year funding for State Wildlife Grants was cut significantly. The decrease from $85 to $65 million threatens to undermine this critical program just as it is beginning to influence on-the-ground conservation. We encourage you to uphold the 2001 compromise and provide this much-needed funding at the $100 million level.

With more than 1,000 animals and plants already listed as federally threatened or endangered, State Wildlife Grants are our best hope for aggressively stemming this decline. Investing federal dollars now to protect or restore wildlife populations is far more effective than waiting until populations reach critically low levels and need "emergency room care" through the Endangered Species Act. Ultimately, State Wildlife Grants will save both our nation's precious wildlife heritage and taxpayer dollars.

We urge you to help ensure that $100 million is provided in fiscal year 2004 to fund this priority fisheries and wildlife conservation program.

PREPARED STATEMENT OF FRIENDS OF BACK BAY

I am Molly Brown from Virginia Beach, Virginia. I am the President of Friends of Back Bay, a group of over 400 dedicated volunteers who are committed to the protection of the Back Bay National Wildlife Refuge. Located in southeastern Virginia Beach, Back Bay National Wildlife Refuge was established on February 29, 1938, as a 4,589-acre refuge and breeding ground for migratory birds. We thank Congress for their continued support of this project.

The Director of the U.S. Fish and Wildlife Service approved a Refuge boundary expansion on May 7, 1990. The expansion area includes 6,340 acres of important wildlife habitat. To date the Fish and Wildlife Service has been able to acquire 4,452 acres. The Virginia Division of Natural Heritage has identified 14 natural areas within the Back Bay watershed, nine of which are within the Refuge boundary. These areas contain rare plant and animal communities, some of which are found nowhere else in Virginia. The Refuge annually supports tens of thousands of migratory birds including neotropical migrants, other songbirds, waterfowl, shore birds, wading birds and raptors. Submerged aquatic vegetation has begun to make a reappearance in Back Bay, due in part to land protection efforts of the Service. Various wintering waterfowl (widgeons, green-winged teal, and gadwall) have wintered in Back Bay this year. This acquisition had been zoned to accommodate 3,000 homes; however, thanks to Congress, this area has been protected forever as a portion of the Back Bay National Wildlife Refuge.

The Back Bay National Wildlife Refuge is truly a diversified ecosystem. The Refuge is the first undeveloped area south of the mouth of the Chesapeake Bay. The first successful bald eagle nest on Back Bay in over 30 years occurred on newly acquired Refuge lands in 1994. For the past nine years, fifteen eaglets were fledged from this nest. Again this year the eagles are nesting. Furthermore, additional adult Bald Eagles have been observed on the Refuge, as well as other area of the City of Virginia Beach. Also, loggerhead sea turtles nest on the Refuge beaches at the northern limit of their nesting range. Three loggerhead nests were successfully located and protected in 2002 and sea turtle management on the Refuge received significant media coverage during the summer. Peregrine falcons and piping plovers continue to use Refuge habitats during migration. Finally, owl research continues to be conducted on the Refuge. So far they have banded and studied the eastern screech, great horned, common barn and saw-whet owls.

The threat to the Back Bay watershed continues. The primary threat is conversion of existing farmland and woodland into residential, commercial and recreational uses. The City of Virginia Beach Comprehensive Plan projects an estimated 100,000 additional residents in the Back Bay watershed. Current proposals include condo development, mineral extraction and golf course development. As development restrictions are relaxed, land values are escalating and may soon be out of reach for conservation purposes.

Since the metropolitan area of Southeastern Virginia is one of the fastest growing urban areas in the nation, natural havens such as the Back Bay National Wildlife Refuge are increasingly important to its 1.5 million inhabitants. A survey of 500 registered voters conducted in 2000 by the City of Virginia Beach and Trust for Public Lands revealed that 86 percent believed that it is important to protect the Back Bay. This in part led the City of Virginia Beach to adopt the Virginia Beach Outdoors Plan in February 2001. This plan is an initiative to preserve open space for physical and visual enjoyment. The Refuge provides public recreation, e.g. hunting, fishing, bird watching, photography and environmental education. Visitation at the Refuge is over 100,000 per year. Environmental education is a major public use, with over 5000 schoolchildren utilizing the area in 2002. 2003 marked the 100th anniversary of the National Wildlife Refuge System. Back Bay NWR and its partner in education school, Red Mill Elementary, observed it with a school assembly and photo contest for the fifth graders. The photos were the student's reflection on the Back Bay area. The winning photos were placed in the 100-year time capsule, as evidence of the importance of Back Bay to today's students and future leaders. From the Refuge's visitor center, students can observe seven different habitats. These habitats are necessary for the survival of a wide variety of wildlife. In keeping with our environmental education opportunities, a group of local volunteers have worked with the Refuge staff to put the Back Bay Refuge on the Internet. This will enable people world wide to access information about the Back Bay ecosystem.

Furthermore, the Back Bay Refuge is now part of the Charles Kuralt Trail, which includes eleven refuges in Virginia and North Carolina. Back Bay is designated for the osprey and has a handicap accessible trail to view these magnificent "fish hawks."

The acquisition of lands on the west side of Back Bay, that are contiguous with Refuge property, will provide a more complete wildlife habitat unit that can be managed with the existing Refuge staff. In addition, in 1997 the Fish and Wildlife Service purchased a 17-acre tract on the west side of the Bay that is now serving as a new environmental education center for the Back Bay Refuge. This is helping to introduce school children and other interested citizens to the ecology of freshwater marshes and forested wetlands. The location of this facility is closer to the people and reduces the travel time by forty minutes.

With money appropriated in fiscal year 2003, the Fish and Wildlife Service has purchased 139 acres from willing sellers. In order to continue the Back Bay Refuge expansion project, we respectfully request $1.0 million for fiscal year 2004. This money will help to fill in the mosaic pattern of small land parcels from willing sellers who have been waiting patiently to sell their land to the Refuge. One 15-acre tract for sale on Horned Point Road is bound on both sides by Refuge property. The owners of another 65-acre marsh are willing sellers who want to see this area protected. A 20-acre tract will provide ingress/egress to a parcel recently purchased by the Refuge and will complete the acquisition of this property. A 260-acre shallow lake is being added to the Refuge boundary at the request of the owner. Approximately three-fourths of the shoreline is bounded by the Refuge and the remainder is bounded by Dam Neck Naval Base.

I wish to extend my appreciation for the funding that you have appropriated through fiscal year 2003. This money has purchased 4,452-acres of the proposed 6,340-acres expansion. This means that this project is over 70 percent completed in thirteen years. Also, this project is ranked thirty-seventh on the U.S. Fish and Wildlife Service's LAPS list and is in the President's budget. Thank you for the opportunity to comment on this important project.

PREPARED STATEMENT OF THE CITY OF KANSAS CITY, MO

I am pleased to provide written comments on behalf of the City of Kansas City, Missouri (the City) in support of the President's 2004 Budget Request of $288.2 million for the Department of Energy's Low-Income Weatherization Assistance Program (WAP). For more than 20 years the City has been the leader in the State of Missouri in effective and efficient energy conservation assistance to low-income households. The City has historically supported weatherization assistance by contributing more than $250,000 in General Funds annually. The City also leads the State in leveraging private utility and business monies for the WAP. We have "honed" service delivery skills through highly technical diagnostic analysis of each site to be assisted. These increased skills provide assurance that any monies spent on weatherization will meet performance expectations before energy conservation measures are installed on site. This results in guaranteed outcome before public dollars are spent.

Despite these successes, changes in the economy have dramatically increased requests for assistance. Increased energy costs also affect requests for assistance. We are confident that the full provision of the President's requested funding for WAP will provide many more benefits than reductions in energy use.

Energy providers throughout the nation are pleased to participate in the Low Income Home Energy Assistance Program (LIHEAP). LIHEAP's "safety net" assistance is helpful; however, most energy providers support the notion that investment in energy efficiency is a better long-term solution than paying fuel bills. LIHEAP is critical during intense heating and cooling seasons; however, the ratio of energy assistance to the prevention component of energy efficiency is estimated to be more than 8 to 1. Energy efficiency investment produces a better bottom line for energy suppliers by reducing collection, turn-on turn-off cycles and charge offs to bad debt which all customers eventually pay through rate increase that are affected by the collection problems.

The WAP's mission statement is "to reduce the heating and cooling costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety." In Kansas City, we track incidences of health issues discovered during the course of site analysis of homes eligible for assistance. We find the average low-income home visited was built inefficiently when energy was inexpensive and with little knowledge of whole house energy use technology versus today's standards. By their low-income nature, most eligible homes experience critical deferred maintenance. Some of the most critical areas of deferred maintenance are with the heating/cooling and hot water and cooking appliances. A review of past years weatherization activity in Kansas City shows that on average:

—Approximately 600 households receive energy efficiency assistance annually;

—One or more natural gas leaks are detected and corrected on each house;
—Very high levels of carbon monoxide is discovered in 20 percent of the houses;
—Indoor air quality issues are diagnosed and corrected in 87 percent of the houses; and
—Back drafting of flue gas occurs in over 25 percent of homes weatherized.

These health issues have a major impact on the well being of the applicant, the community. Eliminating natural gas leaks not only saves energy dollars, their elimination also eliminates personal injury and property damage due to explosions. We know that without weatherization intervention, there are increased health care costs from over exposure to high levels of carbon monoxide and moisture related indoor air quality problems. From time to time we receive anecdotal feedback that cellulose insulation installed by WAP prevented fire from spreading in homes.

The sum total of energy efficiency investment though WAP is a compelling reason for full program funding. Numerous empirical studies by Oakridge National Laboratory and The Final Report by TecMRKT Works *Process and Impact Evaluation of Missouri Gas Energy Pilot Weatherization Program,* 827 Shady Oaks lane, Oregon, Wisconsin, 83575 that the return on public dollars is more the 3 times its investment.

The partnerships WAP developed with HUD, state finance agencies and the private market provides assurance that the innovative financing mechanisms that are used to produce affordable housing assure the success of the affordable concept. You should note that because most development costs for government and privately financed affordable housing are fixed and generally predictable. Home energy costs are the most volatile component of housing expenses. On that basis energy efficiency investment becomes a critical tool to ensure affordable housing remains affordable. Neighborhoods and many communities are now at risk due to higher than usual layoff and plant closings. Households that traditionally do not apply for assistance are now seeking help. WAP investment reduces household energy expenses for this newly group in need of help.

We know that WAP is often the test bed for efficiency technologies that ultimately are adopted by the housing industry. We are proud of this historical legacy and we know that we can continue to contribute to the well being of America by maximum use of the WAP infrastructure.

PREPARED STATEMENT OF THE DEFENDERS OF WILDLIFE

Defenders of Wildlife has substantial concerns about the Administration's fiscal year 2004 budget and makes recommendations regarding these concerns and funding in the following priority areas.

FISH AND WILDLIFE SERVICE ENDANGERED SPECIES FUNDING

Defenders urges an increase of $13 million over the Administration's budget request of $12.2 million for the FWS endangered species listing account and $50 million over the Administration request of $62 million for the recovery account. The President's request for the four main FWS endangered species accounts, $128.7 million, is up slightly by nearly $3 million from fiscal year 2002. Most of this is a modest increase for the listing account largely due to a series of court decisions forcing the federal government to designate critical habitat for listed species. FWS has a current listing backlog of $137 million and more than 250 species awaiting ESA protection—including the Washington ground squirrel, Northern sea otter, sheath-tailed bat, gunnison sage grouse, friendly ground dove, lesser prairie chicken, band-rumped storm petrel, and the elfin woods warbler. Many candidates could become extinct while awaiting protection. A total of about $25 million per year for listing for the next 5–6 years would help FWS address this backlog.

Recovery funding is cut $1.6 million below fiscal year 2002 even though FWS has said that more than 200 species currently listed under the Act could become extinct in the next five years simply because not enough funds are available for recovery activities. Some of these are Hawaiian species, including the world's rarest bird—the po'ouli with only three individuals known to exist in the wild. Others include: the Columbia Basin pygmy rabbit with less than 50 individuals in the wild; the Selkirk population of the woodland caribou with less than 35 remaining in the wild; and the Mississippi gopher frog which is limited to one pond in south central Mississippi. We understand that FWS believes it could realistically spend an additional $50 million per year in recovery with current staffing and we urge such an increase.

LAND, CONSERVATION, PRESERVATION, AND INFRASTRUCTURE IMPROVEMENT FUND (LCPII)

Defenders urges full funding of this conservation trust fund at its dedicated fiscal year 2004 level of $1.56 billion for the Interior appropriations subcommittee portion of the fund. We further urge the subcommittee to maintain the integrity of the fund and include only programs originally incorporated in the fund when it was established. We greatly appreciate the subcommittee's past support for fully funding and maintaining the integrity of this historic dedicated fund, however we were dismayed that the final fiscal year 2003 Omnibus appropriations bill cut the Interior portion of the fund by more than $400 million below its dedicated fiscal year 2003 level. We understand that during final resolution of the fiscal year 2003 bill the subcommittee was under substantial funding constraints not within its control, and we will be working to generate Congressional support for a fiscal year 2004 302(b) allocation sufficient to allow full funding for the conservation trust fund. Unfortunately, the Administration's budget cuts the subcommittee's portion of this historic fund by $477 million below the fiscal year 2004 $1.56 billion dedicated level. Moreover, the request again erodes the original purpose of the dedicated fund by: (1) substantially cutting existing programs; (2) substantially increasing the level in the fund for federal lands maintenance originally intended to be complementary to amounts provided in the base; and (3) adding programs not originally included in the fund as a new "Cooperative Conservation Initiative."

State and Tribal Wildlife Grants Program.—Defenders of Wildlife and the more than 3,000 organizations nationwide in the Teaming With Wildlife Coalition are requesting at least $125 million for this important program for fiscal year 2004. The Administration's budget recommends $60 million for fiscal year 2004, slashing this critical program by $25 million or nearly 30 percent below its fiscal year 2002 level. This important program gives states desperately needed funding to develop and implement comprehensive conservation plans to protect declining species and their habitats before protection under the ESA is necessary. More than 1,200 species currently are under the ESA's protection. Without proactive efforts to reverse species declines, scientists estimate that more than 5,000 new wildlife and plant species may need to be listed under the ESA. State fish and wildlife agencies have identified a need that totals $1 billion annually—the requested amount of $125 million is only a modest 12.5 percent of the total annual need.

The State and Tribal Wildlife grants program is particularly important to future efforts to prevent habitat loss. The most significant threat to U.S. biodiversity is habitat loss and degradation. A 1995 report analyzing habitat loss by conservation biologists Reed Noss and Rob Peters, "Endangered Ecosystems: A Status Report on America's Vanishing Habitat and Wildlife," identified 69 ecosystems that have lost more than 85 percent of their acreage since colonization. The State and Tribal Wildlife grants program requires states to develop landscape-level comprehensive wildlife and habitat conservation plans as a condition for receiving program monies; these plans are blueprints that will help arrest the type of habitat declines occurring nationwide while guiding restoration and conservation.

Land and Water Conservation Fund.—Defenders urges funding of at least $650 million for the Land and Water Conservation Fund for fiscal year 2004: $450 million for federal LWCF and $200 million for state-side LWCF. The Administration says it is requesting full funding for the Land and Water Conservation Fund at its authorized $900 million level. But all the request does is re-package 15 other separate and important but non-LWCF conservation programs as LWCF. Ostensibly, the request for LWCF is $900 million, but only $348 million of this is for authorized LWCF purposes—$225 million or 39 percent below fiscal year 2002 and $552 million below the authorized level. Moreover, the Administration budget actually cuts federal land acquisition for our National Wildlife Refuges, Parks, Forests and Bureau of Land Management lands by $240 million or 56 percent below fiscal year 2002.

The Natural Resources Inventory estimates 2.2 million acres are lost to development each year. Funding for LWCF land acquisition needs to be increased, not decreased. LWCF remains one of the greatest tools we have to address the increasingly severe problem of loss of open space, forests, and wildlife habitat. While the subcommittee has for the most part not acquiesced to the Administration's request to add new programs to LWCF, it has placed several new programs under the Fund. Defenders urges the subcommittee to maintain the integrity of the LWCF by reversing this action and rejecting the Administration's proposal to fund additional important conservation programs out of it.

FISH AND WILDLIFE SERVICE NATIONAL WILDLIFE REFUGE SYSTEM OPERATIONS AND MAINTENANCE

Defenders and the Cooperative Alliance for Refuge Enhancement are requesting an fiscal year 2004 increase of $100 million over the fiscal year 2003 funding level of $367 million, or $75 million over the President's requested $25.5 million increase and urge that the bulk of it be directed to operations. We greatly appreciate the subcommittee's support in the past and ask that it be continued. The National Wildlife Refuge System is an American treasure that recently passed a landmark when it celebrated its 100th anniversary on March 14. The 94 million acre National Wildlife Refuge System is the only federal public lands system dedicated primarily to the conservation of fish and wildlife; it is crucial to the protection of a teeming array of migratory birds, endangered species and other wildlife. Yet despite its critical importance to the conservation of wildlife and wildlife habitat, chronic and severe funding shortfalls for operations and maintenance have threatened the Refuge System's ability to achieve its mission for many years. At this point, the bulk of the need is for operations funding to address protection of wildlife, management and restoration of wildlife habitat, public outreach and visitor services, and a crippling 38 percent staff shortage—nearly 200 refuges have no staff on site. The current backlog of the most critical operations and maintenance projects totals $955 million.

Defenders is a member of the Cooperative Alliance for Refuge Enhancement (CARE), a diverse coalition of 20 environmental, recreation and scientific organizations working to substantially increase funding for the Refuge System. CARE is calling for increasing the Refuge System's budget to a total of $700 million over the next three years so that it has the funds to carry out its mission as it embarks on its second century of wildlife conservation. Defenders is extremely concerned, however, that the requested O&M increase appears to be at least partially at the expense of critically needed land acquisition for refuges which has dropped by 59 percent since fiscal year 2002. We urge any increase for O&M not come at the expense of land acquisition for refuges.

FISH AND WILDLIFE SERVICE MIGRATORY BIRD PROGRAMS

Defenders requests a $15 million increase for Migratory Bird Management over the fiscal year 2002 level of $28 million and full funding of $5 million for the Neotropical Migratory Bird Conservation Act under the Multinational Species Conservation Fund. As currently funded, these programs cannot fulfill their mandates to adequately monitor and plan for the conservation of 825 species of migratory birds, of which more than 750 species are nongame birds. Nearly 100 nongame birds are listed under the ESA and more than 100 species are on the FWS List of Migratory Nongame Birds of Management Concern. Thus, over 25 percent of all migratory birds are in serious need of conservation to assure their long-term survival.

BUREAU OF LAND MANAGEMENT (BLM): RESOURCE PROTECTION AND ENERGY DEVELOPMENT

Defenders urges rejection of the requested $10 million increase for expansion of energy and mineral development. Instead, we urge increases for important resource protection needs including: Integrated Weed Management to curb the prolific spread of invasive species; Threatened and Endangered species to preserve the 306 listed, 59 candidate and 1,500 sensitive species on BLM lands; Sagebrush and Prairie Grassland Ecosystem Projects to apply multi-species conservation approach across large landscapes; Rangeland Management to help improve the health of grazing lands; Recreation Resources Management to prevent off-road vehicle damage; and the National Landscape Conservation System which contains some of our country's most extraordinary natural and cultural resources. Under the Bureau of Land Management, the Administration is requesting a nearly $10 million increase to expand energy and mineral development on public lands including expedited permitting and increased leasing, energy related rights of way, and further development on Alaska's North Slope—including plans for drilling in the pristine Arctic National Wildlife Refuge. The budget also includes assumptions of lease sale receipts from the Arctic Refuge in 2004.

FOREST SERVICE: FIRE PREVENTION AND RESOURCE PROTECTION

Defenders urges that at least 85 percent of funds for hazardous fuels activities on federal lands be spent within the zone nearest to communities and that substantial funding be provided directly to states, tribal and local authorities to support community wildfire preparedness activities. We urge significant reductions for Forest Products and Timber Road Construction, un-needed timber industry subsidies,

and redirection of funds to recovery from prior timber sales, including to ecosystem restoration and Road Decommissioning and to resource protection programs including Wildlife and Fisheries Habitat Management; Wildlife, Fish, Water and Air Research; and Inventory and Monitoring. We urge Congress to reject the legislative proposals in the Administration's "Healthy Forests Initiative" which would undermine the public's ability to appeal and seek judicial review of projects. Finally, we strongly opposed addition of the damaging Stewardship End Results Contracting rider to the final fiscal year 2003 bill, and we urge the subcommittee to exercise rigorous oversight of this program to prevent it from being used as a vehicle for fiscal and environmental abuse.

SPECIFIC PROJECTS

Defenders wishes to highlight two specific funding needs for efforts that contribute to endangered species protection. First, a broad group of interests, including environmental groups, sea otter researchers, agencies, fisheries group representatives, legislative staff, aquarium staff, and public stakeholders has determined that $1.675 million in research is needed each of the next five years to support recovery of the threatened sea otter whose population has suffered declines in 4 out of the last 5 years. Funding should be earmarked to the USGS Biological Research Division. Second, we request $600,000 for continued Nez Perce Tribe operation of gray wolf recovery, monitoring, research and outreach programs in Idaho: $450,000 for on-going programs and $150,000 for more staffing, updating of equipment and the monitoring program, holding additional public meetings and conducting necessary research. The Tribe has been successfully managing wolves since the species was reintroduced in 1995 and 1996. With the dramatic increase in the Idaho wolf population, funds are more critical than ever to achieve necessary research and management goals, particularly in light of recent federal actions to downlist, and eventually delist, wolves in the region.

PREPARED STATEMENT OF THE FRIENDS OF RACHEL CARSON NATIONAL WILDLIFE REFUGE

Thank you for the opportunity to offer this written testimony. I am writing on behalf of the Friends of Rachel Carson National Wildlife Refuge, which is a nonprofit organization based in Maine. I am writing in regards to Rachel Carson National Wildlife Refuge, which is a national wildlife refuge located on Maine's southern coast.

I hope that the Subcommittee on Interior and Related Agencies (Committee on Appropriations) will support $4.5 million in land acquisition funding for Rachel Carson NWR in fiscal year 2004. This funding would enable the protection of multiple properties with willing landowners in several portions of the Refuge. Available properties are located in five of the Refuge's ten units. These potential acquisitions would consolidate existing Refuge ownership and would complement land protection that has already taken place.

Rachel Carson NWR is working to buffer sensitive lands from the pressures of development and is doing a great job of protecting critical habitat lands. Southern coastal Maine is under severe sprawl and development pressures. The Refuge has been able to permanently protect beautiful and important parts of the southern Maine coast for present and future generations to enjoy.

On behalf of the Friends of Rachel Carson, we hope that you will provide $4.5 million for Rachel Carson NWR from the Land and Water Conservation Fund in fiscal year 2004. Thank you for your consideration.

PREPARED STATEMENT OF THE FRONTERA AUDUBON SOCIETY

Frontera Audubon Society respectfully requests appropriation of $5 million from the Land and Water Conservation Fund (LWCF) in fiscal year 2004 for purchase of lands by the U.S. Fish and Wildlife Service for the Lower Rio Grande Valley National Wildlife Refuge in Texas.

Half of this appropriation—$2.3 million—would fund acquisition of two specific tracts totaling 1,937 acres.

The first of these tracts, called the "Southmost Tract", is 614 acres of farmland located south and east of the City of Brownsville. It is adjacent to or near several other protected areas, including six tracts of the Lower Rio Grande Valley National Wildlife Refuge totaling 4,586 acres, The Nature Conservancy's 1,034-acre Lennox Foundation Southmost Preserve, the National Audubon Society's 527-acre Sabal

Palm Grove Sanctuary, and Texas Parks and Wildlife Department's 68-acre Voshell Unit. The property includes not only agricultural land but also significant habitat along field edges, heavily vegetated frontage along the Rio Grande, and an oxbow lake. The farmland could be easily restored to native habitat, including stands of the native sabal palms (Sabal mexicana) which once lined the banks of the Rio Grande from the river's mouth inland for approximately 80 miles. Today, little remains of this original palm forest. The protection and restoration of Texas' native sabal palm community is one of the primary objectives of conservation partners at this site. The Refuge's current holdings include only about one-third of the planned acreage of Sabal Palm Forest.

The second tract, called the "Starr County Tract", is 1,323 acres of farmland and thornscrub that can be revegetated to restore Upper Valley Flood Forest. As we have pointed out in past years, the biotic communities found in Starr County, including Upper Valley Flood Forest, Chihuahuan Thorn Forest, and Ramaderos, are important and unique biotic communities that are significantly underrepresented in terms of the Refuge's strategic protection plan. Purchase of this tract would raise Refuge holdings of the Upper Valley Flood Forest to close to 50 percent of the acquisition goal. Most fortunately, this property is held in clear title and thus does not present the severe title problems that have slowed acquisition of other sites in the area.

While both tracts require revegetation, this important conservation tool has been used successfully for more than two decades on many thousands of acres in the Valley. Revegetation returns areas to functioning wildlife habitat and allows reestablishment of populations of rare plants. Among the many species of rare, threatened and endangered plants in Starr County are Runyon's huaco, Vasey's adelia, and Mission fiddlewood. Planting of these species could help forestall their future listing under the Endangered Species Act.

As Frontera Audubon has documented in our past testimony, the Lower Rio Grande Valley is a biological treasurehouse. The Valley is home to half of all bird species found in the United States, including sixty species found in no other part of the country. The 300 species of butterflies outnumber any other part of the country except the Florida Everglades. In addition, there are more than 200 species of mammals, reptiles, amphibians, and fish and 1,200 species of plants. For these reasons, completing the "wildlife corridor" will be a significant contribution to meeting the Nation's conservation goals.

When completed, the Lower Rio Grande Valley National Wildlife Refuge will protect nearly half of a planned 285,000 acre wildlife protection network—the "Wildlife Corridor"—that reaches 275 miles along the Rio Grande River. Other lands and waters in the corridor are managed by state, county, and private conservation organizations as well as the Laguna Atascosa NWR. The entire planned complex will protect a modest 10 percent of the valley's area.

Permanent protection of wildlife habitat in the Lower Rio Grande Valley National Wildlife Refuge also provides economic benefits by helping the region to take advantage of growing nature tourism. Texas is already the number one birding destination in the United States and the Rio Grande Valley is the number one birding destination in the state. More than 200,000 people watch birds or other wildlife in the Lower Rio Grande Valley every year. These visitors spend more than $100 million and create or sustain more than 2,000 jobs. It has been calculated that each rare bird sighting accounts for approximately $100,000 per year in spending locally.

Because the Refuge protects lands from the Gulf Coast to Fontana Dam, it draws visitors to all parts of the Valley. The result is welcome economic diversification in regions with otherwise limited economic resources.

The Lower Rio Grande Valley needs the economic stimulus that nature tourism provide. Despite rapid population growth, the region is economically depressed, with unemployment chronically near 20 percent and a high proportion of residents living below the poverty level. Agriculture, which formerly dominated the economy, is in decline due to a prolonged drought, freezes that have discouraged the citrus industry, and other factors.

Furthermore, the increased recreational opportunities provided by the Lower Rio Grande Valley National Wildlife Refuge will contribute to a better quality of life for everyone. Already, the Refuge has opened 40,000 acres to the public for recreation; more will be opened as the management funding is appropriated. In addition to birding and canoeing, these acres are available for public hunting of deer, feral hogs, nilgai, and white-winged doves.

Lands acquired for the refuge all come from willing sellers.

Completion of the Lower Rio Grande Valley NWR is critical to providing the open space and wildlife viewing opportunities underlying the Valley's ecotourism economic development strategy.

PREPARED STATEMENT OF THE HUMANE SOCIETY OF THE UNITED STATES

Thank you for the opportunity to offer testimony to the Interior and Related Agencies Subcommittee on several funding items of importance to The Humane Society of the United States (HSUS) and its 7.3 million supporters nationwide. As the largest animal protection organization in the country, The HSUS urges the Committee to address these priority issues in the fiscal year 2004 budget.

Bear Feeding

The HSUS strongly recommends that all federal land management agencies develop consistent policies with respect to prohibiting the feeding of bears on their land, including deliberate baiting practices. Bill or report language should direct the Bureau of Land Management and the U.S. Forest Service to promulgate regulations banning the practice of feeding bears, just as the National Park Service and U.S. Fish and Wildlife Service have done.

Baiting involves the intentional placement of human food as a means of attracting bears for the purpose of shooting the animals. While 40 states have resident bear populations, only 10 states permit baiting. Baiting occurs on BLM and U.S. Forest Service lands in 9 states despite agency materials emphatically stating that feeding bears is harmful to the animals and hazardous to humans.

Bears are naturally wary of humans. But once they acquire a taste for human food, they lose their wariness and become emboldened in approaching people and property. Human-fed bears cause millions of dollars in damage to property every year and can pose a serious safety threat to humans. A consistent policy should apply to all federal lands and for all forest users. Such a policy would have no impact on how states set bag limits, season lengths, and weapons rules for bear hunting which is a duty otherwise reserved to the states.

Trapping on National Wildlife Refuges

National Wildlife Refuges should not permit commercial and recreational trapping with inhumane traps. The National Wildlife Refuge System (NWRS) is the only category of federal lands specifically set aside for the protection and benefit of wildlife.

According to a June 1997 report to the Congress, "Mammal Trapping within the National Wildlife Refuge System: 1992–1996," the U.S. Fish and Wildlife Service administered 487 trapping programs on 281 refuges; thus, more than half of the nation's 520 refuges permit some trapping. According to the report, "[e]ighty-five percent of the mammal trapping programs on refuges were conducted primarily for wildlife and facilities management reasons. The remaining 15 percent occurred primarily to provide recreational, commercial, or subsistence opportunities to the public."

In 2001, recreational trappers visited 80 units of the NWRS a total of 40,696 times (number of trapper visits per unit ranged widely from 4 to 9,563). "Consumptive" uses as a whole (including recreational trapping and hunting) are allowed on the majority of NWRS units according to data from the U.S. Fish and Wildlife Service for fiscal year 2001. However, most people who enjoy the refuges are "non-consumptive" users, whose activities in the refuges include hiking, photography, and nature observation. In particular, in fiscal year 2001, the U.S. Fish and Wildlife Service recorded over 36 million visits by non-consumptive users to the 485 refuges open to the public. Clearly, an elimination of recreational trapping on the NWRS would have negligible effect on the millions of Americans who use and enjoy the refuges every year. In fact, according to the U.S. Fish and Wildlife Service's most recent national survey, people who appreciate wildlife in a non-consumptive manner, such as bird watchers, spent $40 billion in the year 2001 to travel and purchase equipment related to activities such as wildlife observation and photography.

The American Veterinary Medical Association, the American Animal Hospital Association, and the World Veterinary Organization have all declared leghold traps to be "inhumane." These traps are designed to slam closed and grip tightly an animal's leg or other body part. Lacerations, broken bones, joint dislocations and gangrene can result. Additional injuries result as the animal struggles to free itself, sometimes chewing off a leg or breaking teeth from biting the metal trap. Animals caught in leghold traps sometimes die from dehydration, starvation, exposure to sub-freezing temperatures, or predators. An animal may suffer for several days before a trapper returns to check a trap.

These traps are as indiscriminate as they are inhumane. Any animal unlucky enough to stumble across a trap will be victimized by it. In addition to catching "target" animals, traps catch non-target, or "trash," animals, such as family pets, eagles, and other protected species. A number of studies conducted by professionals from management agencies reveal that for every target animal caught in a steel-jawed

leghold trap, there are one to ten non-target animals caught. This is an unacceptable level of by-catch.

Voters in Arizona, California, Colorado, Massachusetts, and Washington have approved ballot measures to ban leghold traps. New Jersey and Florida have also banned the use of these traps, and many other states have severe restrictions on their use, including Connecticut and Rhode Island. A May 1999 national poll conducted by Peter Hart Research Associates, Inc., revealed that 84 percent of respondents oppose the use of steel-jawed leghold traps on National Wildlife Refuges. There are dozens of wildlife refuges in Arizona, California, Colorado, Massachusetts, New Jersey, Washington, and Florida. There have been no adverse impacts on those refuges from the statewide bans.

Neck snares are similarly inhumane and indiscriminate. Coyotes, foxes, and other animals trapped in neck snares often die slowly over hours or days by strangulation, as evidenced by necropsy data. Even when animals are anesthetized prior to snaring in laboratory tests of the snares' humaneness—a procedure that decreases the time to loss of consciousness—foxes often take several minutes (up to 45 minutes in one study) to lose consciousness.

In 1999, the House approved an amendment offered by Representative Sam Farr to bar the use of tax dollars to administer or promote the use of steel-jawed leghold traps or neck snares for commerce or recreation on units of the National Wildlife Refuge System. The amendment allowed use of these traps for purposes of research, subsistence, conservation, or facilities protection. The House approved this measure by a bipartisan vote of 259–166.

We urge the Committee to incorporate the language of the Farr amendment in the fiscal year 2004 Interior Appropriations Act. It is a sensible, humane, and narrowly crafted provision. The amendment would not bar trapping on refuges. Other traps, including foot snares, Conibears, and box and cage traps, could be used for any purpose consistent with law and regulation on the refuges. The Farr amendment would not forbid the use of steel traps or neck snares. It would ban those two devices only for commercial and recreational purposes.

Law Enforcement Division of the Fish and Wildlife Service

After illegal drugs and arms, trade in wildlife parts is the third most lucrative smuggling enterprise in this country. New technology and a full complement of Special Agents are essential if law enforcement is to have any hope of effectively enforcing the nation's endangered species trade laws. The HSUS strongly supports an increase of $5 million over the Administration's request for U.S. Fish and Wildlife Service Law Enforcement Operations and Maintenance. The recommended increase represents an additional $1 million for nine inspectors at our borders, and $4 million to hire twenty Special Agents.

The Law Enforcement Division is currently undergoing a three-year rebuilding effort designed to bring the number of Special Agents to 253. These Special Agents investigate domestic and international wildlife crime and monitor wildlife trade. The Division of Law Enforcement is also charged with the responsibility of inspecting shipments at ports of entry. Wildlife inspectors play an invaluable role in stopping wildlife smuggling by inspecting wildlife shipments to ensure compliance with laws and treaties.

Investigating sophisticated wildlife smuggling operations requires the latest in law enforcement technology. The Clark R. Bavin Wildlife Forensics Laboratory is capable of providing assistance in the prosecution of wildlife crimes by analyzing claws, teeth, feathers, tissue, blood, and other wildlife samples. The Clark R. Bavin Wildlife Forensics Laboratory is indispensable in the vigorous enforcement of the nation's wildlife trade laws. The HSUS urges the Committee to expedite the $6.1 million approved for fiscal year 2005 for the coming fiscal year. This increase will allow the lab to add scientists and staff, expand and improve its physical location, and continue its valuable work ahead of schedule.

Protection for Walruses

We urge this subcommittee to appropriate $500,000 in fiscal year 2004 to fund much-needed research on the Pacific walrus. Walruses are targeted by Native hunters for subsistence, despite a paucity of data regarding their current population status or population structure. Hundreds of walruses are killed annually; in some years this number has climbed to as many as 7,000. Moreover, in some hunting villages, females and their calves are preferentially killed, against the recommendation of the U.S. Fish and Wildlife Service and standard management practice. A portion of these funds could also be used to assist and improve the Walrus Harvest Monitor Project, which collects basic management data.

Multinational Species Conservation Fund

The HSUS joins a broad based coalition of organizations in requesting an increase over the Administration's request for the Multinational Species Conservation Fund (MNSCF). The MNSCF is a fund established by Congress to benefit African and Asian elephants, rhinos and tigers, great apes, and neotropical migratory birds. Last year, Congress demonstrated its commitment to the Fund by appropriating $7.8 million for the five programs. Unfortunately, the Administration requested only $7 million for the five funds in fiscal year 2004. We ask that you continue to support these highly threatened mammals and birds in fiscal year 2004 by appropriating $2 million each for the African Elephant Conservation Fund, the Asian Elephant Conservation Fund, and the Great Ape Conservation Fund, $3 million for the Rhinoceros and Tiger Conservation Fund, and $5 million for the Neotropical Migratory Birds Conservation Fund, for a total of $14 million.

While there are threats to the long-term survival of elephants, rhinos, tigers, great apes, and neotropical migratory birds, there have been improvements attributable to funds made available through the MNSCF. Grants made from the MNSCF provide a stable funding source that has leveraged over four times as much in additional contributions from range states, non-governmental organizations, and others.

While The HSUS wholeheartedly supports increased funding for the MNSCF, we are concerned about past incidents and future opportunities for funds from these conservation programs to be allocated to promote trophy hunting, trade in animal parts, and other consumptive uses—including live capture for trade, captive breeding, and entertainment for public display industry—under the guise of conservation for these animals. We would like to see grants made to projects that are consistent with the spirit of the law.

Wild Horse and Burro Program

Wild horses and burros are a public trust greatly beloved by the American people. Consequently, we strongly believe that the Bureau of Land Management (BLM) should be given the direction and resources it needs to ensure the health of wild horse and burro herds and the public lands they inhabit, as well as the welfare of the horses and burros that are removed from the range.

During fiscal year 2002 and fiscal year 2003, the Bureau of Land Management's Wild Horse and Burro Program received a substantial increase to their annual operating budget. This increase was to be used to implement BLM's four-year plan to achieve appropriate management levels (AML's) in all herd management areas, principally through an increase in the number of horses and burros removed from the public lands. The HSUS supports in principle the BLM's attempt to establish a national, strategic approach to wild horse management. We strongly believe, however, that many of the AML's set by the BLM exaggerate the impact of wild horses on the public lands, and do not provide wild horses and burros with the fair share of public land resources to which they are entitled under the law. We also fear that the planned removals will threaten the viability of these populations. To adequately address these concerns, the BLM should carry out a programmatic environmental impact analysis of the impacts of wild horses, burros, and livestock on the conditions in herd management areas, and of the proposed population reductions on the viability of wild horse and burro populations on public lands.

Currently, however, the BLM's plan to achieve AML has been stalled by the rapid filling of the holding facilities available for horses removed by the range. As has happened repeatedly, the budget and attention of the Wild Horse and Burro Program are being diverted from management of wild populations on the public lands to maintenance of wild horses and burros in captivity. There is a long-term solution, which only awaits agency implementation that can help restore the agency's focus to wild horses and the land. With the strong support of The HSUS and this committee, BLM-sponsored research has produced a one-shot, one-to-two-year contraceptive vaccine for wild horses. Wide application of this vaccine, known as PZP, would be a humane, publicly acceptable, cost-efficient means for reducing the number of horses that must be removed from the public lands. Accordingly, we ask the committee to insert the following language into the fiscal year 2004 Interior Appropriations bill: "The BLM is strongly encouraged to implement immunocontraception to help control populations of wild horses on the public lands."

In addition to the more traditional threats faced by wild horses and burros, which include habitat destruction, wildfires, and cattle ranching encroachment, wild horses are coming under pressure from the increasing demand for horsemeat as a result of the "mad cow" disease threat in Europe. The BLM documented that in 1999 hundreds of wild horses that had been adopted through the BLM's adoption program were sold into slaughter, despite the congressionally mandated prohibition on such action.

Because of pressure on wild horses and burros from decreasing habitat, the policy of aggressive removals, and mad cow disease, we urge the committee to once again include the following standard language in the fiscal year 2004 Interior Appropriations bill: "The appropriations made herein shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors." We also request $100,000 in additional funding to be allocated to the preparation of a comprehensive NEPA review. Finally, we urge this committee to allocate $500,000 in additional funding to the BLM for pre-titling compliance monitoring of adoptions, adopter mentoring programs, and other means of ensuring that adopted wild horses and burros are treated consistently with the intent of the Wild Horse and Burro Protection Act and are not sent to slaughter.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

U. S. FISH AND WILDLIFE SERVICE (FWS)

General Comments

The Association is pleased that the Administration's fiscal year 2004 budget request for the U.S. Fish and Wildlife Service (FWS) is more than the fiscal year 2003 enacted budget. We understand the reasons for certain reductions, however we also understand that if our Fish and Wildlife program needs are not met today, it will be far more expensive in the future. We are most concerned that some of the more significant budget reductions are for State fish and wildlife administered programs, the cutting of which seems inconsistent with building strong partnerships with the States.

The Association is particularly concerned that the fiscal year 2004 budget request further reduces the State Wildlife Grants account in fiscal year 2004 to $59.9 million. While the Association is appreciative of those funds, there is a demonstrated need for at least $350 million per year. We strongly recommend that the $59.9 million in fiscal year 2004 be increased to $125 million, for apportionment to the State fish and wildlife agencies under the formula allocation used in fiscal year 2002, in order to achieve significant progress toward $350 million.

We fully recognize the difficulty of providing adequate funding for conservation while at the same time meeting national defense and homeland security needs. Unfortunately, there are long-term consequences to delaying conservation work. Cooperative programs with States multiply efforts through matching funds and, therefore, should be given high priority.

The Association believes the programs within the FWS that offer the following characteristics are consistent with its basic mission and afford the highest benefit to fish and wildlife resources and the cooperating State fish wildlife agencies:

(1) establish true State/Federal partnerships which recognize the primacy of State jurisdiction for fish and resident wildlife;

(2) offer significant leverage of non-Federal funds through cooperative programs;

(3) support efforts to prevent species and their habitats from becoming threatened or endangered;

(4) provide fish and wildlife associated outdoor recreation opportunities, including hunting, fishing, wildlife observation and environmental education which serve a large number of people each year;

(5) provide important economic and environmental benefits to large segments of the American people;

(6) reinvest and enhance existing public land holdings/refuges;

(7) empower States to determine priority management action at the State level; and

(8) provide adequate flexibility for local program adjustment.

The Association encourages Congress to measure programs against these criteria and ensure that programs that measure up are adequately and appropriately funded.

The Association is concerned about any FWS programs or activities that compromise State jurisdictional authorities for fish and resident wildlife and/or lack funding and commitment to secure meaningful management on the ground. The FWS needs to coordinate closely with the respective State fish and wildlife agencies to avoid compromising State authorities and to facilitate the cooperative design and conduct of research and management programs. Cooperative efforts between the FWS and the State fish and wildlife agencies will play a critical role in achieving land and resource objectives for species and related resources. The Association recommends that funds made available to the States provide discretion to the States

in meeting fish and wildlife information and management needs, wherever possible, and where not possible, to emphasize close cooperation with the States to reduce duplicating or conflicting programs which are both costly and confusing to the public.

Consistent, dedicated and assured funding for state-based broader fish and wildlife conservation, wildlife-associated recreation and conservation education programs is vitally needed in the states. Programs at the state level are required in order to preclude the need to list species (under the Endangered Species Act) by addressing life needs and habitat requirements in response to early warning signs of decline. The Association urges Congress and the Administration to work cooperatively with the states in the design and enactment of legislation which would provide $350 Million annually in assured funding for the full array of fish and wildlife programs. The Association is committed to working with Congress to identify an appropriate source of funds for this vitally needed endeavor, whether it be revenues from Outer Continental Shelf Gas and Oil leases, or other sources.

A Proposal for an Aquatic Animal Drug Approval Partnership Program

Public and private aquaculture interests have suffered from an almost total lack of U.S. Food and Drug Administration approved aquatic drugs and chemicals. For the past seven years, the FWS, State fish and wildlife agencies, U.S. Geological Survey, and the U.S. Department of Agriculture have engaged in a cooperative project to gain approval for high priority use of eight drugs in aquaculture. This project is nearing its end, and many of the project's goals will have been met within the next year. However, not all the necessary broad approvals for these critically needed drugs will have been obtained. Continued work will be needed on gaining additional approvals and developing new aquaculture drugs to meet existing and new disease and aquaculture problems.

Unfortunately, no one agency currently has responsibility to obtain the approvals, develop new drugs, and coordinate continuation and expansion of this drug approval effort. To meet this critical need, the Association recommends that $450,000 in new funds be added to the Fish and Wildlife Service's fiscal year 2004 budget for the development and implementation of an "Aquatic Animal Drug Approval Partnership" program. This program would have responsibility to coordinate its efforts with those of other interested Federal, State, and private agencies and organizations to meet the current and future needs for safe and effective aquaculture drugs.

North American Wetlands Conservation Act Activities

The Association strongly supports the FWS request of $49.56 million for the North American Wetlands Conservation Act (NAWCA). However, Congress authorized a funding level of $55 million for this important conservation program in fiscal year 2004 and the Association recommends full funding. The authorization level for this program will increase by $5 million each year. This cooperative program, requiring at least a 1:1 non-federal match, is one of the most successful, non-regulatory, incentive based programs within all of government and the program has shown unprecedented success in restoring wetlands, waterfowl and other migratory bird populations. The program has more than 2,000 partners from communities, governments (including of Canada and Mexico), nonprofit organizations, States, and academia. The program has put over 1,114 projects on the ground in North America, including a total of more than of 15.9 million acres of wetlands and associated uplands in the United States and Canada, with a return of $2.88 for every dollar the Federal government has invested to date. The Association strongly urges that Congress appropriate the full $55 million authorized for the NAWCA in the FWS fiscal year 2004 budget.

The Association believes that evaluation of on-the-ground wetland habitat enhancement activities under the NAWCA, the Farm Bill and other programs are extremely important and supports adequate funding for this evaluation.

Migratory Bird Management

The Association is disappointed to see that migratory bird management is reduced from with the fiscal year 2003 enacted level. This has occurred during a time when public interest in migratory birds is at an all-time high, and when the need for management programs is increasing. With the broad support for the North American Bird Conservation Initiative by conservation organizations and the States, the Association believes the FWS should continue to place a high priority and budget emphasis on migratory bird management.

Inflation and increased operating costs have escalated and enhanced funding in recent years has been absorbed in these areas. Additional funding is needed to facilitate meeting program objectives for migratory bird conservation. The Association recommends an increase of $3 million to address this need, and urges the FWS to

cooperate with the State fish and wildlife agencies to begin implementation of the Colonial Waterbird Conservation Plan, Shorebird Conservation Plan and the Partners in Flight Plan. All of these plans are complete and funds are needed to put these programs on the ground for the birds and the many people who enjoy them. These plans are particularly critical as many nongame migratory bird populations are declining, but not yet endangered. These plans are intended to provide actions to avoid listing these populations as threatened or endangered while there still is time. It makes financial, biological and political sense to take actions early on when it costs less and there are more biological options. The economic benefits provided by migratory birds are far in excess of the funding these programs received.

The Association strongly supports the request for $1 million to begin an aircraft replacement program to support migratory bird surveys, which are important for setting hunting regulations. We strongly recommend these funds become part of the FWS budget base for this program.

The Association strongly supports the requested funding ($550,000) in the FWS budget to enable the Service to appropriately assess (through band reporting) the effects on harvest of proposed early and late season extensions to duck hunting seasons. As duck populations continue to grow, there is more demand for additional hunting opportunities. The FWS and the States need to monitor and evaluate the impacts of these extensions on harvest distribution and rates of harvest in order to assess the effects of the experimental season extensions. The Association strongly recommends that these funds become part of the FWS budget base for this program.

The Association also strongly recommends an addition of $250,000 to the migratory bird program to enable the FWS to begin to modernize its database on mourning doves. While the mourning dove is one of our most popular gamebirds, there is a demonstrated need for better population and harvest survey information for this species. Again, the Association requests that these funds (at appropriate future levels) become part of the FWS base budget request.

Since the early 1980s, insufficient effort has been devoted to improving data collection related to the management of webless migratory game birds. There is a demonstrated need for better population and harvest survey information for species such as woodcock, mourning doves, sandhill cranes and rails. The Association strongly contends webless migratory game bird management is an integral and important part of the Service's programs and responsibilities, and recommends full funding of $750,000 for the Webless Migratory Gamebird Program.

The Association is pleased to recognize Congress' and the Administration's continuing commitment to the implementation of the North American Waterfowl Management Plan (NAWMP), including support for the 12 habitat and 3 species Joint Ventures. However, the Association reasserts its position that a need exists for additional funds to enable the FWS to provide adequate assistance for the Joint Ventures. In the fiscal year 2003 Appropriation Act, Congress recognized the need for increasing support for Joint Ventures and urged the Service to request additional funding in the fiscal year 2004 budget. Joint Ventures are the "engine" of plan implementation and these partnerships need to be supported. Most Joint Ventures are under-funded, but the Association is pleased that Joint Venture funding has been increased and supports the Service's request for $10.3 million in fiscal year 2004 for the Joint Venture program. Congress anticipated that by fiscal year 2004 there should be an appropriation of $10.4 million annually for existing habitat and species Joint Ventures. In addition to direct habitat protection, restoration and enhancement, Joint Ventures engender private-public partnerships and communication in pursuit of their conservation objectives. This is good business, good relationships and good conservation and a success story to be emulated.

The Association continues to recommend that Congress appropriate an additional $5 million to collect data and monitor 16 priority goose and brant populations across North America. Currently there are no operational breeding population surveys or pre-harvest banding programs on populations of Arctic geese. This information is needed for management of these migratory, international resources.

For several years, Congress has added $1 million to the FWS budget to assist several states in managing depredating geese, particularly through partnerships with USDA-APHIS (Wildlife Services) and the agriculture community. This add-on was absent from the fiscal year 2003 omnibus appropriations bill and the Association urges Congress to restore that additional $1 million in the fiscal year 2004 appropriation for FWS.

Endangered Species Act (ESA) Funding for States

The Association is concerned with the proposed reduction (from the fiscal year 2003) in the Administration's request for Cooperative Endangered Species grants to the States. The reduction of $2.3 million will continue to erode this program. Tradi-

tional Section 6 grants to the States remain funded at $7.5 million, which is grossly insufficient to satisfy growing needs. Cooperative efforts between the FWS and the State fish and wildlife agencies are the surest way to meet objectives for species recovery and conservation under the Act. The Association recommends that the increase for assistance in this fund be made available to the States through a mechanism that maximizes spending discretion to the States, such as a State Fish and Wildlife Agency ESA Conservation and Recovery Block Grant Program, with the individual States deciding the best mix of information, incentives and acquisitions to achieve habitat conservation and recovery objectives. Much of the Section 6 grant funds in fiscal year 2004 are already earmarked for program needs such as HCPs and CCAs. While these are certainly meritorious and useful purposes, the Association's first priority for Section 6 Grants to the States remains for those dollars which allow the States the greatest discretion in satisfying priority needs.

The Association strongly supports and urges Congress to appropriate an additional $10 million to Section 6 (Cooperative Endangered Species Fund) for traditional grants to the states, particularly in the western United States. The funds would be allocated within the State grants program to benefit at-risk species for example, in western grasslands, shrub-steppe, Hawaiian Islands and Sierra Nevada foothills. The funds would be used by 19 western States to aggressively pursue proactive, broad-scale and interstate conservation efforts, including partnerships through State Conservation Agreements, Safe Harbor Agreements, Candidate Conservation Agreements with Assurances or other agreements with willing landowners and public, State, Tribal, and other land management agencies. Funding under this program will be used to support actions by all partners in a given project.

The Association also strongly supports and urges Congress to appropriate an additional $7.4 million to Section 6 (Cooperative Endangered Species Fund) being requested by 11 western states, to be allocated within the appropriate State grant programs to fulfill the requirements of the Black-tailed Prairie Dog Conservation Agreement, developed in 1999. Key to the agreement is forging partnerships with local interests and developing and implementing State-specific management plans that contribute to conserving the species, while maintaining management at the State and local level. An integral part of each State plan is providing incentives for private landowner participation. Private lands are crucial to meeting range-wide population objectives identified by the Multi-State Conservation Team. These funds will allow the States to complete and implement their management plans, and provide an incentives program for private landowners. Absent this Federal funding, listing of the species under the ESA is inevitable, with the consequent social and economic disruption.

The Association is pleased with the seriousness at which the FWS is proceeding with the delisting process for the gray wolf population in the Northern Rockies. That population has met all recovery criteria and the three states of Idaho, Montana and Wyoming will soon complete their requisite state management planning efforts. As management authority transitions from the Federal government to the affected States, there is an immediate and long-term need to continue rigorous monitoring of that region's wolf population. Heretofore, the FWS has had that responsibility. The fiscal year 2003 FWS budget included a $250,000 Congressional add-on for the State of Idaho to launch this effort within that state. The Association supports this kind of funding assistance to all affected states, especially when it involves species of national significance, and, therefore, recommends $1.2 million be added to the FWS' fiscal year 2004 budget for wolf monitoring activities in the states of Idaho, Montana, and Wyoming, with that amount being equally distributed among the three states. This will ensure a coordinated and consistent approach to monitoring the wolf population in the Northern Rockies during this critical period.

The Association also strongly supports the Administration's request for $40 million for the Landowner Incentive Program. The Association appreciates that FWS has engaged the State fish and wildlife agencies in developing the criteria for this competitive program. The quality of the proposals submitted for first year money (fiscal year 2002), and the fact that proposals exceed available funds, exemplify the merits of and need for this program. Consistent funding is essential to be able to work effectively with private landowners, and the Association urges the FWS to continue to work with the states to bring greater assurance to the availability of these funds.

The Association is concerned with the reductions in the Endangered Species Act Recovery Program. Endangered species recovery efforts can ultimately lead to delisting actions that result in significant benefits to species through State management efforts. Delisting of recovered species needs to receive priority attention and should be based on science and biology rather than other inappropriate factors. The targeted programs for decreases represent important partnerships with state fish

and wildlife agencies that should continue. The Association recommends that Congress increase the amount allocated to recovery efforts in the FWS budget request.

Wildlife Conservation and Appreciation Fund

The Association is disappointed that the Administration deleted funding for the Partnership for Wildlife Act. Because these funds were matched equally by both State and private monies, this effective program leveraged substantial dollars. We expect these cooperative proposals to increase dramatically in the years ahead. The Association recommends restoring and enhancing this program at the $2 million level.

Refuges and Wildlife

The Association is pleased to see an increase of $25.5 million requested in the fiscal year 2004 budget for National Wildlife Refuge operations and maintenance. Even with this increase, there is a tremendous backlog of funding needs that will have to be addressed in the future to successfully meet the Service's NWR System mission of conserving fish and wildlife. Several years ago the Association, along with 16 other organizations, created the Cooperative Alliance for Refuge Enhancement (CARE) specifically to address this growing backlog. As a result of this cooperation, the CARE group developed a plan of modest increases for Refuge Operations and Maintenance budgets that will enable the Refuge System to be fully functional by its 100th anniversary in 2003. The Association continues to support the CARE recommendations to eliminate the backlog of Refuge Operations and Maintenance, and strongly urges these recommendations be used to guide future budget requests.

A significant problem still exists with regard to brucellosis, which affects both wildlife and domestic livestock and is present in elk and bison in the Greater Yellowstone area, located within the states of Wyoming, Montana and Idaho. The Association understands that FWS and the National Park Service intend again this year to contribute to a research program conducted by the Biological Resources Division (USGS) to improve the vaccination program for brucellosis in elk and bison. This continuing need should clearly be carried as a budget item rather than identified as a program that will be funded on an "ability to pay" basis by the several agencies. This has been a concern since the onset of this project, yet no attempt has been made to date to correct this deficiency. The Association strongly supports this research endeavor, but remains concerned about the level of cooperation with the involved states. We urge the commitment by these several USDI Bureaus to this project be affirmed in their respective budgets through some type of formal agreement, in full cooperation with the states involved. We look forward to this being reflected in the fiscal year 2005 budget request. Brucellosis recognizes no boundaries and only a fully cooperative program will likely be successful.

The Association is pleased that $500,000 has been requested to address Chronic Wasting Disease on the refuge system; however, much more will be required to deal with this epizootic.

In late 1997, the United States entered into an agreement with the European Union that identified a process to develop and test more effective and humane alternative trapping devices used by wildlife professionals to manage certain wildlife populations (e.g. for research, to reestablish species extirpated from prior habitats, and to protect endangered species). An active research program is being developed at the USDA's National Wildlife Research Center in Fort Collins, Colorado. Given the significant role that trapping plays in management of the NWR System for research, protecting habitat, roads and other investments, and managing predation and epizootic diseases, the Association recommends that $250,000 be added to the fiscal year 2004 FWS budget to support this research effort.

With respect to the use of certain types of traps on NWRs, the Association strongly opposes any legislative language that would prohibit the FWS from funding the use or authorization of the use of certain of these devices on NWRs. The Association, along with several other conservation organizations, has successfully defeated proposed amendments that would restrict FWS authority with respect to traps in previous years. The FWS needs to retain the discretion to use these devices to protect and conserve endangered species, migratory birds, and significant habitats; protect buildings, roads, and other facilities; and to protect public health and safety through managing epizootics such as rabies. These decisions are best made by the FWS-NWR manager working cooperatively with the State fish and wildlife agency, which has legal responsibility for the management of most furbearing wildlife species.

The Association supports the efforts of the FWS for increased public visitation to the Nation's refuges. We believe that each refuge is a unique area that varies in its capability to support carefully planned and managed user pressure. However, increased public use has the potential to adversely impact the fish and wildlife re-

sources of the refuges and some uses may not be compatible under the National Wildlife Refuge System Improvement Act of 1997. The Association would support the establishment of a research program, including cooperative grants, to support carrying capacity studies that would help develop innovative management measures to ensure the sustainability of the resources on these properties. The study design and preparation, however, must be done with the full cooperation of the appropriate State fish and wildlife agency. The program should be a joint effort utilizing the State fish and wildlife agency within the State where the Federal refuge resides, the refuge management staff and the Fish and Wildlife Cooperative Research Units. Since state fish and wildlife agencies manage comparable state lands, they have substantial experience in assessing impacts to species and habitats and balancing competing uses of these types of habitats, the principal use of which is fish and wildlife conservation.

Law Enforcement

Federal law enforcement is an important tool in fish and wildlife management and a critical element in complementing and filling gaps within State fish and wildlife law enforcement programs. While Law Enforcement enjoyed a modest appropriations increase in fiscal year 2003, a past history of flat funding has left this important program significantly underfunded. The number of agent vacancies remains at an unacceptable level because managers continue to absorb increasing operating costs by keeping vacant positions unfilled. The fiscal year 2001 and fiscal year 2002 increase was the first of a 3-year plan to restore funding for law enforcement to acceptable levels (a $10 million requested increase per year for 3 years was deemed to be necessary). The Association has urged the Service to stay on course with this plan and request funding for law enforcement staffing at more appropriate levels in future years. The Association is therefore disappointed and concerned that the fiscal year 2004 budget indicates only a minimal requested increase of $700,000. The Association urges Congress to increase funding for FWS law enforcement to a total program level of $60 million. This increase will put the Service's law enforcement program back on track to fulfill its needs.

While the Association is vitally interested in seeing all FWS law enforcement vacancies filled and the workforce then kept at authorized levels, we are fully aware that 40 percent of the FWS' officers are expected to retire by the end of 2005. If not vigilant in its response, the FWS could exacerbate an already acute workforce situation—one that could have serious ramifications to State fish and wildlife agencies. The Association was pleased to learn the FWS is developing a comprehensive five-year plan to guide the decisions to address the challenges this poses. We encourage Congress to monitor this planning effort to make certain there is no lessening of emphasis on this critical program, and furthermore, that sufficient opportunity for state participation be afforded throughout this process to ensure their needs and concerns are adequately addressed.

International Conservation

The Association recommends that Congress fund the Neotropical Migratory Bird Conservation Act at its full authorization of $5 million. This legislation passed both houses of Congress in 2000 with strong bi-partisan support. It provides a broad-spectrum approach to bird conservation sought for a long time by game bird and non-gamebird advocates alike. The NMBCA has the potential to serve as a major delivery mechanism to further develop bird conservation strategies for songbirds, shorebirds, waterbirds, and other neotropical bird species in need of conservation action.

Fisheries and Habitat Conservation

The Association recognizes the impressive progress the Service's Fisheries Program has made in working collaboratively with the Association and the various States, as well as with other partners in industry, academia, conservation organizations and Tribal organizations, to develop its Strategic Vision and to develop strategic plans for each of its Regions. In furtherance of this Vision and the underlying relationships with States and other partners, the Association supports the increases for the Fisheries Program proposed in the President's budget request. The Association supports the proposed $5 million increase for hatchery operations, which are badly needed, but is concerned with the proposed allocation of these funds to the recovery of threatened and endangered species (+$1.6 million), restoration of key species in accordance with prescriptions in fishery management plans (+$2.5 million), and development of additional scientific capabilities at hatcheries, Fish Technology Centers and Fish Health Centers (+$0.9 million). Absent from this proposed allocation is the large and important segment of the Service's hatchery program that produces fish to meet the Federal mitigation obligations at Federal water projects.

The production from these mitigation hatcheries is critically important to the states, both recreationally and economically, and fulfills the Federal obligations that were agreed to by Congress when these water projects were authorized. The Association urges Congress to specify that the $5 million increase for hatchery operations be used proportionally for the Service's mitigation hatcheries, as well as other appropriate uses of hatchery production.

The Association supports the Service's request for an additional $3.0 million for hatchery maintenance, which will begin to enable the Hatchery System to address priority needs in its water management facilities across the entire System. However, the Association believes that this amount is inadequate to significant address the current $300 million hatchery facilities maintenance backlog. FWS hatchery facilities average 55 years in age and much of the infrastructure is outmoded and in serious need of repair. For several years, these maintenance needs have been largely ignored and hatchery facilities have been allowed to deteriorate to an alarming level. The Association strongly urges Congress to provide an additional $7 million in the Service's fiscal year 2004 appropriation for hatchery maintenance. Furthermore, the Association asks the Congress to support the President's request for an additional $1.0 million to combat aquatic nuisance species, which the Fisheries Program will use to support interdepartmental and intergovernmental efforts to control and eradicate alien invaders.

The Association also requests the Congress to provide additional funds that will enable the Fisheries Program to strengthen and expand its efforts to conserve and restore critical aquatic habitats that support valuable recreational fisheries. Specifically, the Association asks that the Congress include an additional $3 million in the base appropriations of the Fisheries Program to eliminate additional barriers to fish passage and fish migration nationwide. The Service has recently reported impressive progress in its fish passage program—a program that is clearly achieving impressive results in increasing the abundance and distribution of native fishes and in providing additional angling opportunity.

Furthermore, the Association asks the Congress to appropriate an additional $15 million for the Service's Fisheries Program to work with the southeastern States and its other partners in developing the Southeast Aquatic Resources Partnership, which is making progress toward development of a comprehensive plan that will protect, conserve, and restore aquatic resources including habitats in the Southeast. This partnership of the U.S. Fish and Wildlife Service and all states in Region IV is preparing a report that will provide a blueprint for fisheries which will incorporate objectives in six issue areas: (1) Public Use, (2) Fishery Mitigation, (3) Imperiled fish and aquatic species, (4) Interjurisdictional fisheries, (5) Aquatic habitat conservation, and (6) Aquatic nuisance species. The Association recommends Congress appropriate $15 million to assist the Fish and Wildlife Service and all southeastern states in this endeavor in which local biologists would examine local needs with respect to the six issue areas and those findings would be consolidated and prioritized at the state level. This work would facilitate timely implementation of future regional programs that may develop as a result of the Partnership's final report.

Further, the Association requests an additional $770,000 be appropriated to FWS in their fisheries program for the Connecticut River Atlantic Salmon Commission Migratory Fish Restoration Program to continue efforts to restore migratory fish in the four state basin of Connecticut, Massachusetts, New Hampshire and Vermont.

In addition, the Association supports the President's request for an additional $9.6 million for the Partners for Fish and Wildlife Program. This program has proven enormously popular with America's private landowners and has an impressive history of conserving and restoring hundreds of thousands of acres of wetlands, riparian habitats and upland habitats, as well as opening thousands of miles of streams and rivers to fish passage. No program in the Service has been more successful in achieving on-the-ground results and in benefiting fish and wildlife and the millions of Americans who enjoy hunting and fishing, as well as non-consumptive uses and benefits of fish and wildlife. In addition, the Association asks the Congress to appropriate an additional $4 million to enhance the Service's Coastal Program, which much like the Partners for Fish and Wildlife Program, has delivered tangible improvements in wetland and upland habitats in America's coastal states, where upwards of 75 percent of our nation's population resides.

No less importantly, the Association respectfully asks the Congress to provide $2 million increases to each of two Ecological Services programs that have essentially been level-funded for the past decade and unable to address growing resource challenges. A $2 million increase in the Environmental Contaminants Program would enable the program to meet basic needs in its efforts to address accidental releases or spills of oil and other hazardous chemicals, and to work collaboratively with the

Environmental Protection Agency and States in reviewing and promulgating water quality standards and criteria for aquatic organisms. A $2 million increase in Ecological Service's Coordination Act program would enable the Service to participate more fully in important planning processes and decisions relative to hydropower and wind power, as well as mineral extraction. For the past decade inflation and stable funding have combined to reduce the program's involvement and effectiveness in this important function and in ensuring sustainable development coupled with wise stewardship of fish and wildlife resources.

Invasive Non-Native Species

The Association is concerned over the lack of priority placed on invasive non-native species in the fiscal year 2004 budget. The program of the FWS, as well as other federal agencies, lacks focus and therefore is likely to fall short of expectations to address the most significant problems caused by some invasive non-native species. The Association requests an additional $10 million be included in the fiscal year 2004 appropriation to be distributed among several FWS programs to help address a significant and serious domestic and international threat to indigenous fish and wildlife species. The Association strongly supports the FWS efforts to address high priority invasive species that are serious problems for fish and wildlife habitat.

PREPARED STATEMENT OF THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES

The Minnesota Department of Natural Resources strongly supports efforts by Congress to continue the State Wildlife Grants (SWG) program. We urge the Subcommittee to allocate $125 million to the State Wildlife Grants program for fiscal year 2004 and to take measures to establish a long-term funding mechanism for this important program.

Congress created the State Wildlife Grant Program (SWG) in 2001 to protect and manage those wildlife species of greatest conservation need. This program seeks to prevent wildlife from becoming endangered and ensure a bright future for the nation's wildlife. Its proactive approach to wildlife and habitat conservation will save both wildlife and taxpayer dollars because it protects species before it's too late. This program is a first step to addressing the unmet needs of hundreds of species that fall through the cracks because they are neither abundant game species or rare and endangered.

Minnesota's State Wildlife Grants program funds a range of projects across the state. Below are examples of current projects.

—Monitoring Goshawk Nesting Territories
—Timber Rattlesnake Recovery in Minnesota's Blufflands
—Rare Animals in the Glacial Lakes and Moraines Landscape of Central Minnesota
—Statewide Mussel Resource Survey
—A Landscape Approach to Grassland Bird Conservation in Minnesota
—Critical Wildlife Habitat Acquisition
—Identification and Protection of Important Bird Areas

The State Wildlife Grants Program was established as part of the Conservation Trust Fund in fiscal year 2001. SWG has strong bipartisan support and leverages federal funds by requiring a state match. In order to participate in the SWG Program, each state is required to develop a comprehensive wildlife conservation plan by October 2005. These plans will demonstrate the need for long-term, predictable funding for wildlife conservation, and guide the use of future SWG funds.

In addition to funding the State Wildlife Grants program at the $125 million level for 2004, please consider decreasing the required state match for this program from 50 percent to 25 percent, as is the case with the Pittman-Robertson, Dingell/Johnson, and Wallop/Breaux programs. The purpose of this program is to partner with states to protect the wide array of wildlife species under their jurisdiction, especially those species that are not hunted or fished. This area of wildlife conservation has historically been under-funded, and it is very challenging for us to identify a good, stable source of matching funds this early in the program's life. Also, please consider supporting reliable, long-term funding for state-based wildlife efforts, as was originally intended with the Conservation and Restoration Act of 2001 (CARA).

Thank you for the opportunity to offer these comments.

PEPARED STATEMENT OF THE NATIONAL ASSOCIATION OF UNIVERSITY FISHERIES AND WILDLIFE PROGRAMS

The National Association of University Fisheries and Wildlife Programs (NAUFWP) appreciates the opportunity to submit testimony concerning the fiscal year 2004 budget for the U.S. Department of the Interior. NAUFWP represents approximately 55 university programs and their 440 faculty members, scientists, and extension specialists, and over 9,200 undergraduates and graduate students working to enhance the science and management of fisheries and wildlife resources. NAUFWP is interested in strengthening fisheries and wildlife education, research, extension, and international programs to benefit fish, wildlife, and habitats on public land. We understand the many pressing needs of the nation at this time, but we stress that a nation strong in its international role must be strong in its support and conservation of its natural resources, including fish and wildlife.

U.S. FISH AND WILDLIFE SERVICE

We are concerned that the fiscal year 2004 budget request for State Wildlife Grants will diminish the ability of state wildlife agencies to conserve fish, wildlife, and habitat, and to prevent further declines in at-risk fish and wildlife populations. State Wildlife Grants were established in fiscal year 2001 with a promise from Congress to increase the amount of funding for the program by 10 percent a year over six years. However, this program was cut in fiscal year 2003 to $60 million, a 29 percent reduction from the $85 million appropriated in fiscal year 2002. The Administration's fiscal year 2004 request is $60 million. NAUFWP strongly recommends that State Wildlife Grant funding be increased to $125 million in fiscal year 2004, for apportionment to the State fish and wildlife agencies under the formula allocation used in fiscal year 2002, in order to achieve significant progress toward the demonstrated conservation need of at least $350 million per year.

While we understand that Congress must make difficult programmatic decisions during this time of fiscal constraints, it is critical to recognize that State Wildlife Grants ultimately save federal dollars by enabling states to be proactive and avert conservation catastrophes. State Grants further maximize wildlife and taxpayer dollars for the benefit of millions of Americans by leveraging additional funds from states and NGOs.

U.S. GEOLOGICAL SURVEY BIOLOGICAL RESOURCES DIVISION

NAUFWP is very concerned that the fiscal year 2004 budget request for the Biological Resources Division (BRD), $138.875 million, is a reduction from the fiscal year 2003 enacted level of $139.816 million. This reduction is due primarily to the lack of continued funding for several Congressional initiatives, most of which are intended to provide critical, timely information to improve natural resource management in the United States. Even with funding for these programs however, BRD has been dramatically under-funded for years. Adjusted for inflation, BRD would have to be funded at over $200 million to maintain programs at 1994 levels. In addition, BRD is proposing to absorb approximately $1.9 million of $3.4 million in uncontrollable costs in the fiscal year 2004 budget. This equates to a significant loss in operational funds for BRD. We recommend that Congress appropriate $200 million for the Biological Resources Division to allow critical monitoring and research projects to continue, to eradicate the budget decline in real dollars that the program has accumulated, and to fully fund uncontrollable costs.

We support the Administration's requested increase of $1 million to expand research on chronic wasting disease, a fatal disease in deer and elk; the $500,000 increase in amphibian research; and the $4 million increase to expand invasive species research and begin developing a prototype model for a national early detection network for invasive species in US terrestrial and aquatic ecosystems. At the same time, however, NAUFWP urges Congress and BRD not to diminish funding directed at ongoing research needs that may not, at present, be garnering the public attention that the above issues are, but for which there remain many unanswered questions.

We appreciate the Administration's recognition of the value of the National Biological Information Infrastructure (NBII) and support the $1 million increase in funding requested for fiscal year 2004. However, we also support Congressional direction in the fiscal year 2003 omnibus appropriations bill to BRD to further refine the objectives for NBII and clearly define a strategy for achieving those objectives. NBII, a broad, collaborative program that provides increased access to data and information on the nation's biological resources, is a good example of what can be

achieved by emphasizing partnerships with academic institutions and others, provided those partnerships are meaningful.

NAUFWP applauds Congress' efforts to fully fund the Cooperative Fish and Wildlife Research Units (the Units). Full funding and staffing for the Units was achieved in fiscal year 2001, but since then available fiscal resources have been eroded, principally due to uncontrollable costs. Uncontrollable costs for the Units are disproportionately high compared to other agencies, as 90 percent of the budget for the Units is salaries. This issue first surfaced in the fiscal year 2002 enacted budget, which was $123,000 less than the fiscal year 2001 budget, leaving the Units $400,000 short of covering the high proportion of personnel costs. We are thankful that the fiscal year 2003 enacted budget for the Units was $14.9 million, including $623,000 to cover uncontrollable costs, and $400,000 for the new Nebraska Cooperative Research Unit. However, the $400,000 uncontrollable shortfall from fiscal year 2002 still remains. The Administration's fiscal year 2004 budget request for the Units is $14.139 million, an $854,000 decrease from fiscal year 2003. This means there would be no funding for the new Nebraska Cooperative Research Unit to operate in 2004, and there would be a $600,000 shortfall in uncontrollable costs, resulting in a net uncontrollable cost shortfall for three consecutive years.

To maintain full funding and staffing levels for the Cooperative Research Units, NAUFWP recommends that Congress increase the fiscal year 2004 budget to $16 million. This would include $400,000 to maintain the new Nebraska Unit that Congress established in fiscal year 2003, $600,000 to cover uncontrollable costs in fiscal year 2004, plus sufficient funds to address the uncontrollable cost backlog from fiscal year 2002.

There is a great deal of interest from the Unit cooperators to expand the Cooperative Research Unit program. Currently, three states have fisheries units only and 12 states have neither fisheries nor wildlife units. Most states have expressed an interest in entering into a partnership between BRD, a State University, and the state fish and wildlife agency to bring one or both Cooperative Research Units to their state. NAUFWP is pleased that the fiscal year 2003 appropriations included language directing BRD "to develop a priority system for expanding the current program." NAUFWP looks forward to participating in the long-term strategic planning process for the Units, and we urge Congress to approve budget requests in subsequent years based on this undertaking. The well-established record of accomplishment of the Research Units, a partnership of universities, state agencies, federal agencies, and non-governmental organizations, illustrates the success of their work to conserve fish and wildlife resources and habitats, and to train young professionals in the field.

NATIONAL PARK SERVICE

NAUFWP recommends $2.225 million in support of the Cooperative Ecosystem Study Units (CESU) program. This amount would provide $125,000 to each host university, which provides research, technical assistance, and education, and $125,000 for the national office to partner with other agencies to support conservation and information sharing through websites and other technologies. This funding could be placed within the National Park Service under external programs on behalf of all the federal agencies involved with the CESU program.

U.S. FOREST SERVICE

The Administration's fiscal year 2004 budget request provides $252 million for Forest and Rangeland Research, essentially level with the fiscal year 2002 budget, including over $11 million for new research initiatives related to invasive species, the Healthy Forests Initiative, and Sudden Oak Death disease. The wildlife, fish, and watershed research budget request is $54 million, about $2 million less than was appropriated in 2003. NAUFWP recommends an additional $2 million for Forest Service Research, to be allocated to Wildlife, Fish, Watershed, and Air Research, and recommends that current activities in the Wildlife, Fish, Water, and Air Research segment of the budget can be maintained.

NAUFWP is concerned about the essentially level funding of $134.8 million for the Wildlife and Threatened & Endangered (T&E) Species programs in fiscal year 2004. NAUFWP recommends that Congress appropriate $149 million for the Wildlife, Fish and Threatened & Endangered Species program in fiscal year 2004. This will help ensure that each National Forest has a base infrastructure of personnel to administer viable Wildlife Biology, Terrestrial Threatened, Endangered and Sensitive Species, Botany and other natural resource programs, and provide base level funding for Forest and District biologists to implement proactive management, monitoring, and research projects.

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management (BLM) manages 264 million acres (48 percent) of the nation's public lands, making it the largest natural resource management agency in terms of acres managed. These lands provide critical habitat for fish and wildlife and recreational opportunities for millions of visitors. The Wildlife and Fisheries, and Threatened and Endangered Species programs of BLM help ensure sound management and protection of a diversity of wildlife, fish and habitats, while providing for recreational and commercial uses of the land. While the Administration has proposed slight increases in the fiscal year 2004 budgets of these programs, they still will be running at minimal funding and staffing levels. NAUFWP recommends that Congress appropriate an additional $10 million over the President's request for Wildlife and Fisheries Management, and an additional $5 million over the President's request for the Threatened and Endangered Species program.

The Administration's request for BLM also includes $500,000 for monitoring the cumulative impacts of oil and gas development on natural resources such as wildlife. We believe that if energy production on public lands is accelerated, then BLM must have the funds necessary to carry out not only monitoring and evaluation, but also eventual mitigation of any impacts to wildlife and fish that are identified from energy development. NAUFWP recommends that additional funds be dedicated to mitigating the impacts of energy development on wildlife and fish, particularly species-at-risk, and recommends that the fiscal resources to conduct this work be allocated within the appropriate program area budget where biological and cultural resource expertise exists, as opposed to allocating this funding to the oil and gas account.

In addition, with increased emphasis on energy development, we expect an increased demand and need for fish and wildlife expertise. Already, approximately 30 percent of existing wildlife and fisheries staff time is being directed at energy-related functions. NAUFWP supports hiring additional fish and wildlife staff to address these critical program areas in the context of addressing the Nation's energy policy, but recommends these positions be directly funded from the energy account, rather than extracted from the existing base Wildlife and Fisheries Management or Threatened and Endangered Species Program budgets.

Thank you for considering the views of universities with fisheries and wildlife programs. We look forward to working with you and your staff to ensure adequate funding for wildlife conservation.

PREPARED STATEMENT OF THE TEAMING WITH WILDLIFE STEERING COMMITTEE

On behalf of the Teaming with Wildlife Steering Committee, we request your support for the State Wildlife Grants program in fiscal year 2004 Interior and Related Agencies Appropriations. Teaming with Wildlife is a broad coalition of more than 3,000 groups who have united to enhance America's wildlife resources. We are dedicated to achieving increased federal funding for state-level fish and wildlife conservation, education, and recreation, to ensure a bright future for all fish and wildlife and the habitat on which they depend. We strongly urge you to appropriate $125 million for State Wildlife Grants under the Land, Conservation, Preservation, and Infrastructure Improvement Fund (LCPII) in fiscal year 2004.

State Wildlife Grants provide essential resources to state agencies to conserve fish, wildlife, and habitat, and to prevent further declines in at-risk fish and wildlife populations. More than 1,000 species are imperiled, or listed as federally threatened or endangered, with many more under consideration for listing. While we understand that Congress must make difficult programmatic decisions during this time of fiscal constraints, it is critical to recognize that State Wildlife Grants ultimately save federal taxpayer dollars. Past experience shows that efforts to restore imperiled wildlife are difficult and costly. State Wildlife Grants enable states to be proactive and avert such conservation catastrophes, concurrently saving wildlife and taxpayer dollars, and improving our quality of life by conserving wildlife for the benefit of millions of Americans.

Within the first two years of the State Wildlife Grants program, state agencies initiated a number of important wildlife conservation measures. However, the Administration's request of $60 million for State Wildlife Grants in fiscal year 2004 is a substantial reduction (29 percent) from the $85 million enacted in fiscal year 2002. This will significantly curtail the effectiveness of many state wildlife diversity programs that are in their infancy and require consistent, adequate federal appropriations to realize their objectives. The proposed cut for SWG in fiscal year 2004 also will jeopardize the States' ability to craft and implement the Comprehensive Wildlife Conservation Plan required by Congress. The development of these plans

is underway in many states, in anticipation of consistent funding for implementation. If the commitment to this planning is reduced, the focus of spending likely will shift toward meeting short-term needs, instead of being channeled toward long-term conservation through comprehensive conservation, education and recreation programs.

Indeed, the monies acquired for State Wildlife Grants through the annual appropriations process offer only short-term support for fish and wildlife conservation. For this reason, Teaming with Wildlife remains committed to securing the reliable, long-term nature and intent of Title III of the Conservation and Reinvestment Act (CARA). Title III of CARA would have provided $350 million per year for 15 years to prevent species from becoming endangered, to enhance outdoor recreational experiences, and to foster responsible fish and wildlife stewardship through conservation education. We respectfully urge you to address the continuing shortfalls in state wildlife program funding with a long-term and comprehensive approach by supporting the passage of dependable funding. We pledge to assist in implementing such a program.

We understand the many pressing needs of the nation at this time, but we stress that a nation strong in its international role must be strong in its support for and conservation of its natural resources, including fish and wildlife. We need and sincerely appreciate your help with annual funding, and are hopeful that we can work together to bring dependability to these funds, which will be necessary to achieve long-term fish and wildlife conservation objectives for all citizens.

PREPARED STATEMENT OF THE NEBRASKA GAME & PARKS COMMISSION

The Nebraska Game & Parks Commission is the agency responsible for stewardship of Nebraska's wildlife resources in the best long-term interest of Nebraskan's and those resources. The Commission is charged with administration of the State Wildlife Grants program. The Nebraska Game and Parks Commission strongly supports an appropriation of $125 million for the State Wildlife Grants Program (administered by the U.S. Fish & Wildlife Service) in fiscal year 2004.

For more than 50 years, the highly successful Federal Aid to Fish & Wildlife Restoration program (Pittman Robertson Act) has enabled state wildlife agencies to meet their obligation to restore and conserve game species. The recovery of wild turkey, deer, and waterfowl populations is nothing short of miraculous. In addition to game conservation, the Federal Aid program has indirectly conserved habitat for hundreds of nongame species.

Nevertheless, Nebraska faces the immense challenge of conserving more than 500 nongame species considered rare or declining. During the past three years the State Wildlife Grants program has been instrumental in helping the Commission and its many partners begin implementing conservation strategies aimed at stemming population declines of nongame fish and wildlife. The Commission fully embraces the concept behind the State Wildlife Grants program—Use proactive conservation strategies now, to reduce the likelihood for endangered species listings in the future.

In 2002, the Commission used a competitive grant program to disburse State Wildlife Grants funds. The agency received more than eight times the request for funds than was available. We expect the demand for these funds to increase substantially in the next few years. As a result of this competitive grant program, the Commission has built new and innovative partnerships with more than a dozen conservation organizations and universities leveraging more than $1 million in state and private conservation funds.

Without the State Wildlife Grants program, Nebraska will likely be faced with the regulatory requirement to add more species to the state endangered species list in the future. This outcome is exceedingly expensive, controversial, and risky to imperiled species. We prefer a more proactive approach such as that offered through the State Wildlife Grants Program.

The Commission is extremely appreciative of your committee's support of the State Wildlife Grants program in fiscal years 2002 & 2003. We encourage you to give thoughtful consideration for this program in the 2004 budget. Thank you for your time.

PREPARED STATEMENT OF THE OREGON WATER RESOURCES CONGRESS

REQUEST

The Oregon Water Resources Congress is requesting $25 million for the full funding in fiscal year 2004 for the U.S. Fish and Wildlife Service Fish Restoration Irri-

gation Mitigation program as authorized in the Fish Restoration Irrigation Mitigation Act (FRIMA) in November 2000 as Public Law 106–502 (H.R. 1444). The Administration has not request any funding in the fiscal year 2004 Budget submission for this program.

FRIMA created a new federal partnership fish screening and passage program in the Pacific Ocean drainage areas of Idaho, Oregon, Washington and western Montana, administered by the Fish and Wildlife Service and partnered through state fishery agencies.

The original legislation was supported and requested by the Pacific Northwest Partnership, a coalition of local governmental entities in the four Northwest states. As one of the members of that coalition, we appreciate your consideration of this request.

NEED

Our association has represented irrigation districts in Oregon since 1912. About half of those districts are affiliated with the U.S. Bureau of Reclamation. The remainder of the districts were not developed under the Reclamation program. There are over 200 irrigation districts in Oregon that provide water supplies to over one million acres of cropland in Oregon. Almost all of these districts are affected by either state or federal Endangered Species Act listings of Salmon and Steelhead, Bull Trout or other sensitive, threatened or endangered species.

Fish passage and fishscreen needs have become critical to fishery protection:

—to keep protected fish species out of water canals and delivery systems;

—to allow fish to be safely bypassed around reservoirs and facility structures; and

—to eliminate water quality risks to fish species.

Oregon irrigation districts anticipate no less than $500 million in funding will be required to develop fish passage and fishscreening needs. Limited cost-share funds are available from the Oregon Watershed Enhancement Board (OWEB) program in Oregon, but primarily the cost share for passage and screening needs will be provided by the districts and their water users. Many districts already have screening facilities in place, but requirements for screening have been changed to meet federal agency requirements of the NOAA Fisheries Service and the Fish and Wildlife Life Service, driven by implementation of the federal Endangered Species Act (ESA) so that existing facilities must be upgraded at significant cost.

BACKGROUND OF PUBLIC LAW 106–502

FRIMA was enacted November 2000, creating a voluntary cost-share fish screen construction program for water withdrawal projects in Idaho, Oregon, Washington and western Montana. The Fish and Wildlife Service is to implement this program through the fishery agencies in the four states. The funding is to go to local governments for construction of facilities. Irrigation districts (local governments), can access the funding; individual irrigators can access funding through their local Soil and Water Conservation District. (SWCD districts are local governments affiliated with the Natural Resources Conservation Service.)

FUNDING

The legislation calls for $25 million annually, to be divided among the four states, from 2001 forward. The Service has never included funding in its budget requests since passage of the legislation. Congress provided the first funding in 2001 through a write-in of $4 million to be shared among the four states. The agency did not get the program up and running until late 2002, so the first moneys were distributed then. A 2003 budget write-in resulted in a $470,000 allocation to Oregon ($1.8 million total for the 4 states) which has not yet been disbursed.

FUNDING HISTORY

2000—Congressional authorization for $25 million per year
2001—Congressional write-in of $4 million as no agency budget line
2002—No budget; agency did not disburse 2001 money until late 2002
2003—Congressional write-in of $1.2 million as no agency budget line
2004—No agency budget line
For the 4 years, 2001–2004:
—Congress—Authorized $100 million
—CBO—Anticipated $70 million
—Service—Budgeted $0
—Congress—Wrote in $5.8 million (2002 & 2003 total combined)

In 2000, in the report accompanying the legislation, the Congressional Budget Office (CBO) estimated outlays of $8 million for fiscal year 2001; $15 million in fiscal year 2002; $22 million in fiscal year 2003 and $25 million in fiscal year 2004 and years forward. While the CBO estimate would have provided $70 million between 2001 and 2004, the actual appropriation was only $5.8 million (8 percent) during that same time period and all of the money was a write-in.

Funding funneled through the Service to state fishery agencies is distributed on the basis of an application and approval process that is based on a ranking system implemented uniformly among the states, including the following factors:

—fish restoration benefits

—cost effectiveness

—feasibility of planned structure

Each state is allocated 25 percent of the annual program funding. Agency administrative costs cannot exceed 6 percent of the funding.

PROJECT BENEFITS

The project must provide improved fish passage or fish protection at water diversion structures and must benefit fish species native to and present in the area, including those listed on state or federal endangered species or conservation lists. The project must meet applicable state and federal requirements for project construction and operation. Projects will increase the survival of many native fish species in a relatively short period of time. Compared to other recovery strategies, the risks posed by these activities are low and the assurance of success in increasing numbers of fish is high. Dislocation of existing social and economic activities is minor. Screening and passage can make a very substantial contribution utilizing existing implementation mechanisms and methods well accepted by landowners and rural communities.

COST SHARE

The federal cost-share is 65 percent. The applicant's cost-share is 35 percent plus the on-going maintenance and support of the structure for passage or screening purposes. Applicants operate the projects and the state agencies monitor and review the projects.

For more information, see the Services' Fishery Resources website for the Pacific Region at http://pacific.fws.gov/Fisheries/Fish%20Passage-Screening %20Program.htm.

This program is headquartered in the Portland, Oregon regional office of the Service.

OREGON'S PROJECT BENEFITS

Of the $4 million provided to the program in 2001 for the 4 states, Oregon received $1 million for projects:

Santiam Water Control District Project.—Fishscreen project on a large 1050 cfs multi-purpose water diversion project on the Santiam River (Willamette Basin) near Stayton, Oregon. Partners are the Santiam Water Control District, Oregon Department of Fish and Wildlife, Marion Soil and Water Conservation District, and the City of Stayton. Approved FRIMA funding of $400,000 leverages a $1,200,000 project. Species benefited include winter steelhead, spring Chinook, rainbow trout, and cutthroat trout.

South Fork Little Butte Creek.—Fishscreen and fish passage project on a 65 cfs irrigation water diversion in the Rogue River Basin near Medford, Oregon. Partners are the Medford Irrigation District and Oregon Department of Fish and Wildlife. Approved FRIMA funding is $372,000 and leverages a $580,000 total project cost. Species benefited include listed summer and winter steelhead, coho salmon, and cutthroat trout.

Running Y (Geary Diversion) Project.—Fishscreen project on a 60 cfs irrigation water diversion in the upper Klamath Basin near Klamath Falls, Oregon. Partners are the Wocus Drainage District, Oregon Department of Fish and Wildlife, and Jeld-Wen Ranches. Approved FRIMA funding of $44,727 leveraged a total project cost of $149,000. Species benefited include listed red-band trout and short-nosed sucker.

Lakeshore Gardens Project.—Fishscreen project on a 2 cfs irrigation water diversion in the upper Klamath Basin near Klamath Falls, Oregon. Partners are the Lakeshore Gardens Drainage District and Oregon Department of Fish and Wildlife. Approved FRIMA funding is $5,691, leveraging a total project cost of $18,970. Species benefited include red-band trout, short-nosed sucker and Lost River sucker.

Oregon Department of Fish and Wildlife Inventory Project.—An inventory project to be conducted by Oregon Department of Fish and Wildlife to identify FRIMA-eligi-

ble passage and screening projects within the Rogue and Klamath basins of southwestern Oregon. Approved FRIMA funding is $76,000. Estimated total project cost is $125,000.

(See total projects list, Pacific Region States at http://www.r1.fws.gov/Fisheries/Fish%20Passage-Screening%20Projects.htm.)

TOTAL OREGON PROJECT FUNDING

[In millions of dollars]

5 Projects:	
FRIMA funds	0.9
Applicant funds	1.2
Total Project	2.1

WHY FUND NOW?

Dollar-for-dollar, providing screening and fish passage at diversions is one of the most cost-effective use of restoration dollars, creating fishery protection at low cost, with low risk and significant benefits. That is why it is important that this program be funded now. We urge the full authorized funding for fiscal year 2004 and urge Congress' oversight in encouraging the Service to budget for this successful program in the future.

Thank you for the opportunity to provide this statement for the hearing record.

PREPARED STATEMENT OF THE TERN AND PLOVER CONSERVATION PARTNERSHIP

The Tern and Plover Conservation Partnership (Partnership) was initiated in 1999 to protect and manage endangered least terns (Sterna antillarum athalassos) and threatened piping plovers (Charadrius melodus) that nest in Nebraska on river sand bars and on gravel mine spoil piles. Birds that nest at these mines are vulnerable to predation and potential conflicts with mining operations. The Partnership was formed to protect these and other river birds in a way that reduced conflicts with private industry and that educated and involved local communities. To further these goals an "Adopt-a-Colony" program was initiated in 2000 to help with project activities and to engage local community members in endangered species management and protection issues.

The Partnership is run solely by the means of grant funds and is partially funded by the State Wildlife Grant program, being recommended for a $45,000 grant in 2003. The program received a Wildlife Conservation and Restoration Program GRANT for $75,000 in 2002. The Nebraska Environmental Trust and The U.S. Fish and Wildlife Service also partially fund the Partnership.

These grants have helped with needed supplies and have allowed us to meet the critical need of employing two seasonal technicians to assist with monitoring and protection efforts during each nesting season. Technicians are essential to the continuing success of the Partnership. Without efforts from technicians it would be impossible to monitor colonies on a regular basis, erect and maintain several protective electric fences, and successfully mitigate potential conflicts at sand mines. Technicians also help foster high quality working relationships with sand and gravel personnel and volunteers. Moreover, the grants have helped provide essential supplies such as protective fencing, field signs, educational materials, and video and GPS equipment.

PREPARED STATEMENT OF THE UPPER MISSISSIPPI RIVER BASIN ASSOCIATION

The Upper Mississippi River Basin Association (UMRBA) is the organization created in 1981 by the Governors of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to serve as a forum for coordinating the five states' river-related programs and policies and for collaborating with federal agencies on regional water resource issues. As such, the UMRBA has an interest in the budget for both the U.S. Fish and Wildlife Service and the U.S. Geological Survey.

U.S. FISH AND WILDLIFE SERVICE

The U.S. Fish and Wildlife Service has important responsibilities in the Upper Mississippi River Basin, including management of federal refuge lands and coordi-

nation with other federal, state, and local agencies on river-related ecological issues. The UMRBA strongly supports funding necessary to enable the Fish and Wildlife Service to fulfill its responsibilities in the Upper Mississippi River Basin.

Refuges and Wildlife.—The U.S. Fish and Wildlife Service administers over 250,000 acres of land and water scattered along the Mississippi and Illinois Rivers from the most northerly unit near Wabasha, Minnesota to the most southerly unit near Gape Girardeau, Missouri. This includes the Upper Mississippi River National Wildlife and Fish Refuge (NWFR), Mark Twain NWR Complex, and Illinois River NWFR Complex. The existence of this extensive national refuge system is, in part, the reason that, in 1986, Congress designated the Upper Mississippi River System as a "nationally significant ecosystem and a nationally significant commercial navigation system."

The UMRBA strongly supports the proposed increase for Refuge Operations and Maintenance in the President's fiscal year 2004 budget. In fiscal year 2003, funding for the three refuges along the Upper Mississippi and Illinois Rivers totaled $13.4 million, approximately 43 percent of which was carryover for special flood-related repair needs. Yet there continues to be a routine maintenance backlog and a need for additional personnel to address law enforcement, biological needs, floodplain forest management, technical assistance to private landowners, environmental education, and other refuge management needs. In particular, the refuges along the Upper Mississippi River System have responsibility for the Operation and Maintenance (O&M) of projects that the Corps of Engineers constructs on those refuges, under the authority of the Environmental Management Program (EMP). Currently, those annual O&M costs are estimated to be $360,000, but will likely increase within 10 years to more than $560,000. Fully funding the O&M of EMP projects is vital to ensuring that these habitat restoration and enhancement projects are fully operational and provide lasting environmental and public use benefits.

In order to properly care for the lands already in the National Wildlife Refuge System, the President's fiscal year 2004 budget request for acquisition of new lands is reduced by more than half. Despite this dramatic cut, the fiscal year 2004 budget includes $2 million to acquire lands for three refuges along the Upper Mississippi River. Included are $1 million for acquisition of 924 acres for the Great River NWR and $500,000 for acquisition of 400 acres for the Middle Mississippi River NWR. Both of these refuges are part of the Mark Twain NWR Complex for which 27,000 acres remain to be acquired. In addition, the fiscal year 2004 budget includes $500,000 for acquisition of 380 acres for the Upper Mississippi River NWFR Complex, which has outstanding unmet acquisition needs of over 35,000 acres. The UMRBA supports the fiscal year 2004 budget request for refuge land acquisition and is pleased that the refuges in this region are recognized as a high priority, even in tight budget times.

Ecological Services.—Funding from the Ecological Services account supports the field offices in Rock Island (IL), the Twin Cities (MN), and Marion (IL), which provide most of the ecological services work on the Upper Mississippi River (UMR) and tributaries. This includes work on threatened and endangered species, environmental contaminants, and habitat conservation. In fiscal year 2003, work being done by these Ecological Services field offices related to the Upper Mississippi River is estimated to be $375,000. The UMRBA supports this base funding for Ecological Services offices on the UMR and thus recommends that, at a minimum, Ecological Services fiscal year 2004 funding be increased from the President's recommended level, to at least match the fiscal year 2003 appropriation.

Fisheries.—Most of the Service's fish management on the Upper Mississippi River is conducted out of the La Crosse (WI), Columbia (MO), and Carterville (IL) Fisheries Resource Offices, which conduct habitat restoration and assessments of paddlefish, pallid and shovelnose sturgeon, and freshwater mussels. The UMRBA supports the important work done by these offices and thus supports the funding proposed in the President's budget for the Fisheries account in fiscal year 2004. In particular, of the $1 million increase proposed for work on aquatic nuisance species in fiscal year 2004, $250,000 is proposed for efforts in this basin related to Asian carp.

The UMRBA is particularly pleased that the President's fiscal year 2004 budget recognizes the needs related to hatchery operations and maintenance, by proposing an increase of $8 million in the hatcheries budget. The National Fish Hatchery on the banks of the Mississippi River at Genoa, Wisconsin has become a center of excellence in the recovery of endangered mussels. Additional funds proposed for the Genoa Hatchery in fiscal year 2004 would be used for production of freshwater mussels, lake sturgeon, and brook trout to meet restoration and recovery objectives. In particular, $370,000 is budgeted for large migratory species, such as lake and shovelnose sturgeon, and $55,000 is allocated for endangered mussels, such as the

Higgin's Eye and Winged Mapleleaf. Additional funds proposed for the Fish Health Center in La Crosse, Wisconsin would be used for health diagnostics for lake sturgeon and lake trout and would enhance the Wild Fish Health Survey on the Upper Mississippi River.

U.S. GEOLOGICAL SURVEY

In contrast to the deep cuts proposed for the U.S. Geological Survey over the past two years, the President's fiscal year 2004 budget signals strong support for the science mission of the USGS. Yet while the Administration's fiscal year 2004 request for water and for biological research reflects an increase over its prior years' requests, it is, in fact, slightly lower than the fiscal year 2003 amounts recently appropriated by Congress. It is therefore important that Congress actually increase funding above the President's request just to maintain stable funding for these critical science programs.

The states of the Upper Mississippi River Basin are concerned that the USGS' ability to provide timely and unbiased scientific information about complex natural systems not be compromised. There are several specific research and monitoring programs in the Water Resources and Biological Research programs that are of particular interest to the UMRBA.

Water Resources Investigations.—The UMRBA strongly supports increased funding for the National Streamflow Information Program (NSIP). The stream gaging network is essential to protecting public health and safety by forecasting floods and droughts, managing the nation's navigation system, and monitoring water quality. There are currently 675 stream gages operated by USGS in the five UMRBA states. Over recent years, 80 gages have become inactive in the five states, many as a result of funding cutbacks. The loss of gages means the loss of the historical record that is needed for managing our nation's water resources. The UMRBA shares the commitment of water resource managers across the nation to the long-term stability and security of the nation's stream gaging program. Toward that end, UMRBA joins other organizations, such as the Interstate Council on Water Policy (ICWP), in urging Congress to increase the Administration's fiscal year 2004 proposed budget of $14.4 million for NSIP by $2 million.

The UMRBA also strongly supports funding for the Federal/State Cooperative Water Program. The Coop Program is an essential tool in meeting state and local science needs, including both interpretive studies and stream gaging. Originally, the match between nonfederal cooperators and the USGS was 50–50. Over time, increased requests by cooperators for USGS services, coupled with stagnant federal funding, has altered that proportion. In 2002, cooperators generally matched every $1.00 in federal funds with $1.65, demonstrating the value they place on the program. In 2002, there were 182 nonfederal cooperative projects in the five UMRBA states, an increase of over five percent in just two years.

In contrast to last year's proposal to eliminate USGS' Toxic Substances Hydrology program, the President's fiscal year 2004 budget proposes $11 million for this important research. The Toxics Program, which conducts research on the behavior of toxic substances in the nation's hydrologic environments, is particularly important to the states of the Upper Midwest. Under this program, USGS has been studying the occurrence, transport, and fate of agricultural chemicals in a 12-state area in the Upper Midwest. This research effort, called the "Midcontinent Agricultural Chemical Research Project," is helping to identify factors that affect dispersal of agricultural chemicals in surface and ground waters and evaluating the resulting effects in small streams and large rivers. The goal is to provide the general scientific basis needed to develop agricultural management practices that protect the quality of this region's water resources. Through its Toxics Program, USGS is also studying questions associated with hypoxia in the Gulf of Mexico, including the loads and sources of nutrients from the Mississippi River basin. Given the important work underway in the USGS Toxic Substances Hydrology Program, UMRBA urges Congress to provide $13.5 million, at a minimum, commensurate with the fiscal year 2003 level of funding.

The UMRBA continues to support funding for the National Water Quality Assessment (NAWQA), which is slated to be at $64 million under the President's fiscal year 2004 budget. NAWQA is designed to answer basic questions about the status and trends in the quality of our nation's ground and surface waters, assessing 42 major river basins and aquifers across the nation on a rotating basis every 3–4 years. The Upper Mississippi River Basin includes four NAWQA study units (Upper Mississippi, Eastern Iowa, Lower Illinois, and Upper Illinois). The first 3 of these are scheduled for assessment in fiscal year 2004.

Biological Research.—The President's budget request for USGS Biological Research is $168.9 million, reflecting an increase over the fiscal year 2003 request, but a decrease from the fiscal year 2003 appropriation of $170.9 million. The UMRBA recommends that, at a minimum, Biological Research be funded at the fiscal year 2003 level. Of particular interest to UMRBA is funding for invasive species research, including ballast water research and development of a prototype model for a national early detection network for invasive species. Also of interest is research into amphibian declines and malformations that have been occurring in recent years.

PREPARED STATEMENT OF THE WILDLIFE MANAGEMENT INSTITUTE

The Wildlife Management Institute (WMI) is submitting its comments on the U.S. Fish and Wildlife Service's (FWS) proposed budget for fiscal 2004. WMI is a scientific, educational non-profit organization that is staffed by professional wildlife biologists and is committed to the sustainable management of wildlife populations and habitats throughout North America. For 63-years we have worked closely with the FWS to identify wildlife conservation needs and resource management solutions. Our following comments include recommendations for the following spending increases over the Administration's FWS requests: $65 million for State and Tribal Wildlife Grants; $5 million for the North American Wetlands Conservation Fund; $1.2 million for Migratory Bird Management; $2 million for Neotropical Migratory Bird Conservation; and $10 million for controlling invasive species. It also includes a $24.9 million request for traditional state grants under the Cooperative Endangered Species Fund.

During this time of war, we greatly appreciate the Administration's $9 million spending increase over the fiscal 2002 spending level. The Administration's $1.3 billion request recognizes the significant contributions of several partnership oriented programs and will help the FWS leverage significant support among private organizations and individuals when addressing critical issues confronting migratory birds, declining species and a host of other game and nongame animals. Specifically, we welcome the Administration's request for the following programs and urge your subcommittee to support these programs throughout the appropriations process:

1. Landowner Incentive Program and Private Stewardship Grants ($50 million);
2. Partners for Fish and Wildlife Program ($38.4 million, of which $9.1 million is for habitat restoration projects);
3. Joint Ventures under the North American Waterfowl Management Plan ($10.3 million);
4. Refuge Challenge Cost Share Fund ($3 million);
5. Replacement of bird survey aircraft ($1 million);
6. Chronic Wasting Disease surveillance and control on National Wildlife Refuges ($500,000 although spending increases should be considered in future years); and
7. Updating database for mourning doves ($250,000).

WMI also supports the Administration's $25.5 million increase for the National Wildlife Refuge System's operations and maintenance account (total request is $402 million). Under the fiscal 2003 omnibus appropriations bill, that account received the largest increase any natural resources program had ever received in a single year ($48.4 million). These consecutive increases will greatly improve the Fish and Wildlife Service's ability to reduce its operations and maintenance backlog. However, according to the Cooperative Alliance for Refuge Enhancement, the refuge system needs $700 million annually to expand its support staff, to oversee maintenance projects and to conduct daily operational work on refuges. To the degree that current circumnstances allow, we ask that your subcommittee narrow the gap between the Administration's $402 million request and the refuge system's $700 million need.

The Institute remains concerned about the lack of adequate funding for the State and Tribal Wildlife Grants program, North American Wetlands Conservation Fund, Cooperative Endangered Species Fund, Migratory Bird Management, land acquisition program, and invasive species control/eradication. Please accommodate the following comments and spending recommendations to the best of your ability.

STATE AND TRIBAL WILDLIFE GRANTS

We are very concerned that the Administration has requested only $60 million for the State and Tribal Wildlife Grants program for the second consecutive year. This request represents a 30 percent reduction from the fiscal 2002 amount of $85 million and significantly limits the ability of State and Tribal fish and wildlife agencies to complete their Comprehensive Wildlife Conservation Plans and to implement on-

the-ground projects that benefit game and nongame species. These agencies need a stable or growing source of funds to meet long-term planning objectives, and WMI is committed to locating a dependable source of funding that will provide states and Tribes with $350 million every year to fulfill their unique conservation, recreation and education needs. In pursuit of that $350 million per year goal, WMI asks that your subcommittee appropriate $125 million to the grant program in fiscal 2004.

NORTH AMERICAN WETLANDS CONSERVATION FUND

WMI welcomes the Administration's request of $50 million for the North American Wetlands Conservation Fund, but according to the reauthorizing language for North American Wetlands Conservation Act, this fund is to receive $55 million in fiscal 2004. Since 1989, the FWS has used this fund to collaborate with more than 2,000 partners and to conduct at least 1,114 enhancement projects for wetlands and associated upland habitat in 48 states, U.S. Virgin Islands, 13 Canadian provinces, and 24 Mexican states. Moreover, every federal dollar in this fund leverages $2.88 from the Fish and Wildlife Service's state and private partners. For these reasons, we recommend that your subcommittee appropriate the authorized amount of $55 million to this fund.

COOPERATIVE ENDANGERED SPECIES FUND

Through the Cooperative Endangered Species Fund, state fish and wildlife agencies receive necessary financial assistance to implement habitat conservation and population recovery efforts for imperiled species. However, the Administration's $86.6 million request for this fund includes only $7.5 million for the traditional Section 6 state grants program. We encourage your committee to support the Section 6 grant program at $24.9 million so that 19 western states can participate in proactive, multi-state partnerships through efforts, such as State Conservation Agreements, Safe Harbor Agreements and Candidate Conservation Agreements.

One specific project that requires additional resources is the Black-tailed Prairie Dog Conservation Agreement. This 4-year-old partnership involves 11 western states and each state is developing its own management plan to address prairie dog issues at the state and local level. However, the partnership needs $7.4 million in fiscal 2004 so that each state can finalize its management plan and to let all partners establish an incentives program for private landowners. The High Plains Partnership is another effort that is proactively addressing the population declines of multiple animals dependant upon short and mixed grasslands (e.g., sage grouse, Cassin's sparrow and prairie chickens). At least $10 million is needed to insure that the Federal, State and private partners can restore grasslands and associated wildlife species throughout the Great Plains and can enhance the productivity of private land operations throughout the region.

MIGRATORY BIRD MANAGEMENT

The North American Bird Conservation Initiative (NABCI) is an international effort between Canada, the United States, and Mexico to deliver bird conservation through regionally based, biologically driven, landscape-oriented partnerships. To date, there has been no authorization to provide the necessary staff to coordinate the program within the United States. Needed are a National Coordinator, a Database Manager, and 6 Regional All-bird Coordinators (Northeast, Midwest, Southeast, Alaska, Southwest, Northwest). We believe these positions should be funded through the Service's Migratory Bird Management Division, but we recommend the FWS director be authorized to enter into contracts with State wildlife agencies or non-governmental organizations to fill these important positions. We recommend an increase of $1.2 million in the Administration(s budget request for the Migratory Bird Management program to fund these 8 positions critical to NABCI. We also recommend that these positions be funded with new money opposed to shifting funds from other existing fish and wildlife programs.

Also, NABCI partners met in February 2003 to identify priorities for fiscal 2004 and beyond and recognized the Neotropical Migratory Bird Conservation program as one of its top priorities. This program is authorized for $5 million but the Administration requested only $3 million. WMI seeks your support for a $5 million appropriation to this account.

LAND ACQUISITION PROGRAM

In fiscal 2002, the FWS received $99.1 million to acquire ecologically valuable and sensitive lands from willing landowners. For fiscal 2004, however, the Administration requested only $40.7 million so that the FWS can invest more time and fiscal

resources on presently owned lands. Although we support the Administration's decision to improve the management of existing federal lands, we caution your subcommittee against a drastic cut in this program. Over the course of one year, opportunities to protect critically important habitat for wildlife may be lost forever, which in turn would further limit the Service's ability to remove fish and wildlife from the threatened/endangered species list and to prevent the listing of other animals.

INVASIVE SPECIES PROGRAM

Although the Administration has requested $2.1 million to combat the spread of non-native, invasive species in National Wildlife Refuges, the FWS does not have a comprehensive plan for controlling and eradicating invasives. Thus, WMI requests the appropriation of an additional $10 million so that the agency can strategically incorporate invasive species management activities into other conservation programs.

In summary, we appreciate the Administration's $9 million boost for Fish and Wildlife Service programs during such a difficult time for our nation. Productive landscapes that host a diversity of wildlife and fish offer all Americans a peaceful playground in which they can connect to their local environment via fishing, hunting, wildlife watching and photography and other recreational pursuits. But many national conservation needs remain unmet, and WMI encourages you to consider and act upon our above spending recommendations.

Thank you for reviewing our comments, and we look forward to working with you throughout the appropriations process. If you or your staff would like to discuss our recommendations further, please contact me or Terry Riley, Director of Conservation, at (202) 371–1808.

LETTER FROM THE WYOMING WATER ASSOCIATION

WYOMING WATER ASSOCIATION,
WATER IS WYOMING'S GOLD!
Cheyenne, WY, June 3, 2003.

Hon. CONRAD BURNS, *Chairman*
Hon. ROBERT C. BYRD, *Ranking Minority Member*
Subcommittee on Interior and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BURNS AND SENATOR BYRD: The Wyoming Water Association sends this letter to request your support and assistance in insuring continued funding for the Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin (Upper Colorado River Endangered Fish Recovery Program) and the San Juan River Basin Recovery Implementation Program. The objectives of the Wyoming Water Association are to promote the development, conservation, and utilization of the water resources of Wyoming for the benefit of Wyoming people. Since 1932, the Wyoming Water Association has served the interests of Wyoming's water users. With changing and growing demands on Wyoming's limited water resources, complicated by an increasingly complex overlay of federal laws and regulations, management and development challenges and conflicts continue to become more numerous. The Association maintains an active role in supporting the State of Wyoming's efforts to put Wyoming water to use for Wyoming's citizens.

The members of our Association supports the continuation of these two cooperative programs involving the States of Colorado, New Mexico, Utah and Wyoming, Indian tribes, federal agencies and water, power and environmental interests are ongoing in the Upper Colorado River Basin and have as their objective recovering four species of endangered fish while water development proceeds in compliance with the Endangered Species Act of 1973, state law, and interstate compacts. The Wyoming Water Association respectfully requests support and action by the Subcommittee that will provide the following:

1. The continued allocation of $700,000 in "recovery" funds appropriated to the U.S. Fish and Wildlife Service (FWS) for fiscal year 2004 to allow FWS's Region 6 to meet its funding commitment to the Upper Colorado River Endangered Fish Recovery Program. This is the same amount appropriated in fiscal years 2002 and 2003 for this program. Funding will be used for FWS' program and data management costs, estimating the abundance of fish populations, evaluating stocking and monitoring fish and habitat response to recovery actions.

2. The allocation of $444,000 in appropriated base operation and maintenance funds ("Fisheries Activity; Hatchery O&M Subactivity") to support the current operation of the FWS' Ouray National Fish Hatchery in Utah for fiscal year 2004.

3. The allocation of $165,000 in "recovery" funds for the San Juan River Basin Recovery Implementation Program to the FWS for fiscal year 2004 to meet FWS's Region 2 expenses associated with program management and implementing the San Juan Program's actions.

The enactment of Public Law 106–392, as amended by Public Law 107–375, authorized the Federal Government to provide up to $46 Million of cost sharing for these two ongoing recovery programs' remaining capital construction projects. Additional hatchery facilities to produce endangered fish for stocking, restoring floodplain habitat and fish passage, regulating and supplying instream habitat flows, installing diversion canal screens to prevent fish entrapment and controlling nonnative fish populations are key components of the capital construction efforts. The four participating states are contributing $17 Million and $17 Million is being contributed from revenues derived from the sale of Colorado River Storage Project (CRSP) hydroelectric power. Subsection 3(c) of Public Law 106–392 authorizes the Secretary of the Interior to accept up to $17 Million of contributed funds from Colorado, Wyoming, Utah and New Mexico, and to expend such contributed funds as if appropriated for that purpose. The Wyoming Water Association has for a number of years adopted a resolution supporting the appropriation of federal and state funds to carry out the purposes of these programs.

The above line item funding requests for the FWS are supported by the State of Wyoming and each of the participating States engaged in these effective partnership programs. The requested federal appropriations are critically important and will be used in concert with other federal and non-federal cost-sharing funding. The support of your Subcommittee in past years is gratefully acknowledged and appreciated, and has been a major factor in the success of these multi-state, multi-agency programs in progressing towards endangered fish species recovery in the Upper Colorado and San Juan River Basins while necessary water use and development activities are occurring. We again request the Subcommittee's assistance to ensure that the FWS is provided with adequate funding for these vitally important programs.

Sincerely,

JOHN W. SHIELDS,
Executive Secretary.

PREPARED STATEMENT OF BEAR TRUST INTERNATIONAL; BOONE AND CROCKETT CLUB; BOWHUNTING PRESERVATION ALLIANCE; BUCKMASTERS AMERICAN DEER FOUNDATION; CAMPFIRE CLUB OF AMERICA; CONGRESSIONAL SPORTSMEN'S FOUNDATION; CONSERVATION FORCE; FOUNDATION FOR NORTH AMERICAN WILD SHEEP; HOUSTON SAFARI CLUB; INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES; IZAAK WALTON LEAGUE OF AMERICA; MULE DEER FOUNDATION; NATIONAL RIFLE ASSOCIATION; NATIONAL SHOOTING SPORTS FOUNDATION; NATIONAL TRAPPERS ASSOCIATION; POPE AND YOUNG CLUB; QUALITY DEER MANAGEMENT ASSOCIATION; ROCKY MOUNTAIN ELK FOUNDATION; RUFFED GROUSE SOCIETY; SAFARI CLUB INTERNATIONAL; SHIKAR SAFARI CLUB INTERNATIONAL; THE WILDLIFE SOCIETY; WILDLIFE MANAGEMENT INSTITUTE; AND WHITETAILS UNLIMITED, INC.

We urge you to include adequate funding in the fiscal year 2004 federal budget to fully implement the *National Plan to Assist States, Federal Agencies and Tribes in Managing Chronic Wasting Disease in Captive and Free Ranging Cervids.* We specifically ask your subcommittee to appropriate $7.75 million for agency programs within Department of the Interior and, further, $20.46 million for non-matching state and tribal grants to be administered either through USDA-Animal and Plant Health Inspection Service (APHIS) or the U.S. Fish and Wildlife Service (USFWS).

Chronic Wasting Disease (CWD) is always fatal for deer and elk. It has been found in either captive or free-ranging wildlife in 12 states and 2 Canadian provinces. Left unmanaged, this disease has the potential to devastate local deer and elk populations. Moreover, improper management of CWD will stimulate a major economic loss for state agencies and private businesses that rely on hunting and wildlife associated tourism for their livelihood. According to the USFWS's *2001 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation*, 10.9 million sportsmen and women spent 153 million days hunting big game in 2001. Collectively, they spent $10.1 billion to purchase necessary equipment and to cover trip-related costs. And within Colorado, the Division of Wildlife estimated that deer and elk hunters generated $599 million for the state's economy in 2001. Furthermore, the Division collected $44 million through deer and elk license sales, which represented 54 percent of the agency's $81.9 million budget for 2001.

In May 2002, the House Resources Subcommittees on Forests and Forest Health and Fisheries Conservation, Wildlife and Oceans held a joint oversight hearing on

the CWD crisis. Invited witnesses were asked to provide suggestions as to how Congress and the federal government could most effectively assist states in the fight against CWD. Resultantly, the U.S. Department of Agriculture (USDA) and U.S. Department of the Interior (DOI) were directed to prepare a national plan to address CWD.

A national CWD task force was quickly formed to ensure that federal and state agencies cooperated in the development and implementation of an effective national CWD strategy and program. Membership for the task force, and its associated working groups, totaled 75 professionals who were knowledgeable in wildlife health, wildlife management, wildlife biology and livestock health and represented a myriad of state and federal wildlife management and animal health agencies, as well as universities.

On June 26, 2002 the task force released the *National Plan to Assist States, Federal Agencies and Tribes in Managing Chronic Wasting Disease in Captive and Free Ranging Cervids, also known as the National CWD Plan.* This plan represents the most current scientific knowledge on CWD, and delineates a strategy to identify the extent of the disease and management actions necessary to limit its spread. An Implementation Document was then developed to identify who will be responsible for individual projects, how these projects will help control CWD, how much money is necessary to implement the projects, and when each project should be completed. The Implementation Document, dated October 16, 2002, was provided to Bobby Acord, Director of APHIS, and Steve Williams, Director of the U. S. Fish and Wildlife Service. It is our understanding that the document has since been provided to the Office of Management and Budget for review and analysis. Both documents are available at http://www.cwd-info.org/index.php/fuseaction/policy.policy.

According to the *National CWD Plan*, the primary federal role will be to provide coordination and assistance with research, surveillance, disease management, diagnostic testing, technology, communications, information dissemination, education and funding for state CWD programs. Federal agencies will provide tools and financial assistance to states and help develop consensus-based approaches to CWD control.

The federal funding requirements identified in the *Implementation Document* total $108 million over a three year period. It is important to recognize that not all CWD funding has been or will be federal dollars. For example, it is estimated that the states of Colorado, Nebraska, and Wisconsin expended $3.6 million to combat CWD during 2002. In Colorado, a portion of that money was used to cull approximately 450 mule deer and 200 elk, further evidence of the mounting need to protect the viability of wild and captive cervid populations.

We are concerned that the collaborative science-based recommendations in the *National CWD Plan* and its associated Implementation Document have not been given due consideration during the development of the fiscal year 2004 budget. The *Implementation Document* recommends $13.6 million for USDA, $7.75 million for DOI and $20.46 million for state and tribal grants during the first year. However, the Administration only requested $14 million for USDA, of which only $7 million is for Plan activities. Moreover, DOI would receive $2.4 million under the Administration's request, less than half of what the *Implementation Document's* authors recommended, and the states would receive nothing. We believe this spending request is woefully inadequate to effectively implement the *National CWD Plan*.

In summary, we urge you to include in the fiscal year 2004 federal budget the funding necessary to fully implement year one of the *National CWD Plan*. Both the DOI and the USDA Agriculture have been assisting states and tribes to the extent that their budgets permit; however, significant additional funding is needed to implement the actions and programs outlined in the *National CWD Plan* and its associated Implementation Document. Since the management of resident wildlife is the responsibility of the appropriate state wildlife agency, in addition to funding the CWD activities of both the DOI and USDA, the federal budget appropriation must provide funding that will be passed on to the states through a grant program that requires no match. The states have already spent millions of dollars on this issue and need federal funding assistance to continue the battle.

Thank you for reviewing our comments, and we look forward to working with you on this important issue throughout the appropriations process.

PREPARED STATEMENT OF THE AFRICAN WILDLIFE FOUNDATION, THE NATURE CONSERVANCY, AMERICAN ZOO AND AQUARIUM ASSOCIATION, SAFARI CLUB INTERNATIONAL, THE WILDLIFE CONSERVATION SOCIETY, AMERICAN VETERINARY MEDICAL ASSOCIATION, WORLD WILDLIFE FUND, INTERNATIONAL RHINO FOUNDATION, INTERNATIONAL ELEPHANT FOUNDATION, WILDAID, CONSERVATION INTERNATIONAL, NATIONAL WILDLIFE FEDERATION, THE FUND FOR ANIMALS, SIERRA CLUB, THE HUMANE SOCIETY OF THE UNITED STATES, NATIONAL AUDOBON SOCIETY, DIAN FOSSEY GORILLA FUND INTERNATIONAL, DEFENDERS OF WILDLIFE, WILDLIFE MANAGEMENT INSTITUTE, JANE GOODALL INSTITUTE, INTERNATIONAL FUND FOR ANIMAL WELFARE, AND AMERICAN BIRD CONSERVANCY

We are writing as a coalition of conservationists, zoos, circuses, sportsmen, veterinarians, and animal protection groups to request your support of the Multinational Species Conservation Fund. This Fund has made an important contribution to the survival of wild tigers, elephants, rhinos, great apes, and neotropical migratory birds. Last year, Congress demonstrated its continued commitment to the Fund by increasing the appropriation to $4.8 million for the four mammal programs and $3 million for migratory birds. We ask for fiscal year 2004 that you again support these successful programs by appropriating $2 million each for the Asian Elephant, African Elephant, and Great Apes Conservation Funds, $3 million for the combined Rhinoceros and Tiger Conservation Fund, and $5 million for the Neotropical Migratory Bird Conservation Fund.

There have been significant improvements in the status of elephants and white rhinos in parts of southern Africa, rhinos in Nepal, and tigers in Russia as a result of grants from the Multinational Species Conservation Fund. The remaining 300 Sumatran rhinos and 60 Javan rhinos would not have survived without the Rhino Protection Units supported by the Fund. Black rhinos, whose numbers plummeted from 70,000 in 1970 to 2,500 in 1993 are now recovering in many parts of Africa to a current total of about 3,100. These successes show that a species can survive if sufficient and reliable resources are provided for anti-poaching, habitat protection, disease control, public education, and measures to increase compatibility with humans.

There are still many unfulfilled needs, particularly in India and Indonesia where burgeoning human populations have fractured habitat and isolated tiger, rhino and elephant populations. Great apes in the Congo Basin and in Indonesia continue to struggle for survival against disease, habitat reduction, and an increasingly commercialized trade in bush meat. Elephants, rhinos and tigers face challenges from poaching for ivory, horn, and body parts. Neotropical migratory bird populations that migrate from the United States to wintering grounds in the Caribbean and South America continue to suffer from environmental contaminants and loss of habitat. Many of the countries where these species are found cannot muster the resources to meet the needs of both people and wildlife. Continued support will be needed from the Fund to ensure the future of these species.

The Multinational Species Conservation Fund has been especially effective in encouraging local and international matching contributions from governments and private organizations. The program's $23 million in grants over the past twelve years has leveraged almost $100 million in additional funding, including $14 million alone during the first year of neotropical migratory bird grants. The Fund benefits mammals and birds that are cherished by millions of Americans who visit zoos, watch birds, or adopt them as symbols of athletic prowess, corporate strength or political power. Continued support by the United States will conserve these highly threatened species, create a positive image for America in Asia, Africa and Latin America, and encourage public-private partnerships throughout the world. We urge you to support increased appropriations for the Multinational Species Conservation Fund and the Neotropical Migratory Bird Conservation Fund in fiscal year 2004.

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF MUSEUMS, THE SOCIETY FOR HISTORICAL ARCHAEOLOGY, AND THE SOCIETY FOR AMERICAN ARCHAEOLOGY

Mr. Chairman and members of the Subcommittee: I am Jason Hall, Director of Government and Public Affairs for the American Association of Museums, presenting written testimony on behalf of a consortium consisting of the American Association of Museums, the Society for American Archaeology, and the Society for Historical Archaeology.

As you know, Section 10 of the Native American Graves Protection and Repatriation Act (Public Law 101–601—"NAGPRA") authorizes the Secretary of the Interior to "make grants to Indian tribes and native Hawaiian organizations for the purpose of assisting such tribes and organizations in the repatriation of native American cultural items" and to "make grants to museums for the purpose of assisting the muse-

ums in conducting the inventories and identification required under sections 5 and 6." While we appreciate the Congress and the President agreed in the Interior bill to provide funding of approximately $2.5 million for fiscal year 2003 to allow the statutorily-mandated repatriation process to proceed, we respectfully urge Congress to increase the appropriation to at least $5 million for fiscal year 2004. We present the following reasons in support of this request.

As you are aware, NAGPRA is remedial legislation. Congress enacted the law in 1990 in large part to assure that Native American remains and funerary and other objects retained by the federal government and museum community are returned under the law to appropriate tribes and organizations for reburial or other appropriate treatment. As remedial legislation, NAGPRA will not remedy the problem Congress sought to resolve unless adequate dollars are appropriated so that tribes and museums can complete the repatriation process—which is now under way but which necessarily proceeds slowly in many cases because of essential museum-tribe consultation and other factors. Repatriation is a high priority of the museum and tribal communities, which do not have adequate funds to do the necessary work required by NAGPRA.

Since repatriation is the subject of federal legislation as well as regulations and administrative guidelines, the U.S. government has a trust responsibility to Indian tribes and their members in the area of repatriation. This trust responsibility imposes strict, binding fiduciary standards on the conduct of executive agencies, here the National Park Service and the Department of the Interior, in its treatment of tribes in repatriation matters. Adequate funding for tribes, museums and universities is necessary to carry out the statutory mandates of Congress.

At the same time, it is clear that the communities and sovereign Indian tribes represented by the consortium have been called upon to take a much increased role in implementing Public Law 101–601 in the past several years, as the mandated summaries and inventories of museum holdings were largely completed by museums and sent to the tribes in mid-November, 1993, and mid-November, 1995, respectively. Activity has intensified immensely in recent years and will continue to do so as the number of actual repatriations continues to increase. The consortium's testimony provides information on how the requirements of the law are creating significant costs for our communities and seeks your support for funding for the grant program authorized in the law, so that we can continue to comply with it in a timely and responsible way.

Let me start by addressing in generic terms the needs of the museum community. In order to comply with Public Law 101–601, museums have to engage in activities falling into four categories: (1) preparation of inventories, in the case of human remains and associated funerary object, and written summaries, in the case of unassociated funerary objects, sacred objects and cultural patrimony; (2) notification and consultation with Native American groups and visitation by those groups to museum collections; (3) research to identify cultural affiliation of human remains and objects; and (4) repatriation.

To prepare the inventories of human remains and funerary objects which were due by November 16, 1995, museums have needed to: physically locate every item within the museum's storerooms; locate and review existing records to compile information necessary to determine whether a funerary object is "associated" or not, and to determine the cultural affiliation of the objects; catalog any remains ad objects that are not catalogued; document (e.g., measure and photograph) and analyze the human remains and funerary objects; and compile an inventory of human remains and funerary objects containing the information required under Public Law 101–601, including cultural affiliation. The delay in promulgation of the final regulations, and the late start and low level of grant funding for repatriation grants to the tribes and museums, have slowed the process such that a significant number of museums were not able to prepare inventories by the November 16, 1995 deadline, despite timely and continuing good faith efforts, and had to appeal for extensions.

With respect to unassociated funerary objects, sacred objects and objects of cultural patrimony, museums were required to and did, prepare a written summary by November 16, 1993 rather than an itemized inventory of their collections. Nevertheless, many museums needed to undertake many tasks similar to those noted above in order to collect the required information. Throughout all of this, museums have needed to consult with native American tribes which might have an interest in the objects. The time and funds spent on consultation with Native American peoples varies according to the physical proximity of the museum to the particular group.

Once the inventory and written summary are complete, the museum must identify the tribal representatives authorized to accept repatriable objects and formally no-

tify those representatives. Tribal representatives must travel to the museums to examine the objects and consult with the museum. Remains and artifacts must be packed and shipped to the appropriate Native American group. During this process, disagreements may arise as to the disposition of items covered by Public Law 101–601, and these issues must be resolved.

Let me turn to some specific cases. On December 6, 1995, the Senate Committee on Indian Affairs held an oversight hearing on the implementation of NAGPRA. Final NAGPRA regulations, with some sections still incomplete, were published two days prior to the hearing. Two years later, the Interior Department published an interim rule on one of those incomplete sections, the civil penalties section. But as of April 2001, there have been no final regulations issued on the three remaining sections (future applicability, culturally unidentifiable remains, and unclaimed items from Federal or tribal lands.)

Representatives from the National Park Service, the NAGPRA Review Committee, three affected tribes, and a witness representing both the American Association of Museums and an affected museum, testified about compliance with the law. NPS witness Katherine Stevenson noted that the NPS had made 83 NAGPRA grant awards totaling $4.37 million since the beginning of the program, but that over that time, they had received 337 grant proposal requests totaling nearly $30 million, and she conceded that the Interior Department's $2.3 million request for fiscal year 1996 did not meet the valid needs demonstrated in the grant applications from museums and the tribes. Since that 1995 testimony, the situation has remained much the same in terms of funding needs. As of April 2002, the NPS has been able to make 351 NAGPRA grant awards totaling approximately $21.3 million since the beginning of the program, but during that time, it has received well over 770 grant proposals totaling more than $52 million, and funding has essentially been flat at $2.3 million, and more recently $2.5 million annually. The $2.5 million appropriation continues to fall short of valid needs.

The witness representing museums in 1995, William Moynihan, President of the Milwaukee Public Museum, testified about the effort of his museum to comply with the law. He noted that the "Milwaukee Public Museum will have committed well in excess of half a million dollars by 1997 to deal with the legislation. Existing staff in our Anthropology/History Section have been reallocated from their normal duties to NAGPRA-related activities, a large team of volunteers assembled, and trained student interns and work-study students hired." He noted that the Museum has been collecting anthropological and archaeological materials for over 100 years, that included in the holdings are the remains of 1,500 individuals, and that the collections are not computerized. Despite these difficulties, the museum had completed a physical inventory of over 22,000 Native American ethnographic objects, and a preliminary inventory of 50,000 archaeological objects; sent summaries to 572 tribes and native Alaskan and Hawaiian groups; followed up with hundreds of calls to tribes; and taken a variety of other actions to comply with the law.

On a broader scale, we have results from the American Association of Museums' 1994 repatriation survey of 500 of its member institutions, including all of its natural history museums and a selected sample of its art and history museums. The survey response rate was 43.6 percent. Of those responding, 76 percent of the natural history museums, 43 percent of the history museums and 23 percent of the art museums had Native American objects. Those respondents—a little more than 200—alone had almost 3.5 million objects which fell into NAGPRA categories, and that does not include 15 responding natural history museums, including 3 large institutions, which could not give an estimate of their NAGPRA- related holdings. An overwhelming number of these institutions noted how lack of final regulations and of NAGPRA grant funding had hindered or prevented their repatriation efforts.

Estimating aggregate costs is not possible from the survey data, given the great disparities in how institutions calculated their own costs. It is clear, however, that thousands of institutions across the country are affected to some degree by NAGPRA costs.

The Native American community is also incurring major expenses in attempting to comply with the requirements and deadlines of NAGPRA. As you know, the repatriation process involves sacred items and, most importantly, human remains, not just artifacts. In this light we must approach the funding issues related to the Act. A 1994 repatriation survey done by the National Congress of American Indians indicated that some tribes had received hundreds of NAGPRA summaries from museums, and that the need for outside funding to hire experts to help them analyze these materials and subsequent NAGPRA inventory materials is virtually universal. From the dozens of responses to the survey, it is apparent that most tribes do not have the capacity to comply with the Act. For example, the Shingle Springs Rancheria/Miwok/Maidu tribe reported, "Our tribe has been well versed in the pur-

pose and intent of NAGPRA. The response from museums—the sending out of surveys to the tribes at the November 1993 deadline—has been astounding. We have received over 100 notices. However, we cannot respond or take advantage because of lack of funds." This tribe estimated its financial needs at approximately $35,830. And at the December 1995 Senate oversight hearing, Cecil Antone of the Gila River Indian Community noted that the Community had received over 150 letters from various museums and federal agencies about the disposition of NAGPRA-related collections. The needs of the tribes vary depending on the number of responses they have received, their present and future ability to comply with the Act, and what, if any, experience their tribe has had with projects of this sort. In fact, tribal responses estimating funding needs ranged from "unknown" to "very much" to "$2 million."

In October 1990, the Congressional Budget Office estimated NAGPRA implementation costs to museums of $40 million and to tribes and native Hawaiian organizations of $5–10 million over 5 years, assuming that museums and federal agencies hold between 100,000 and 200,000 Native American remains and that the cost to inventory and review each remain would be $50–150. Those estimates now appear to be very low in light of our experience since that time. As a result, viable tribal and museum request for grants continue to exceed available funds by a large margin. In addition, museums cannot repatriate to the tribes until appropriate notices go into the Federal Register, and there is currently a backlog of about 150 such notices at the NPS, about a year's worth, due to lack of staff to process them.

In closing, let me add that while the museums and tribes must have this grant program funded simply to comply with the requirements of NAGPRA, it is also true that the grant program will accomplish far more than compliance. Museums and tribes have discovered that the exchange of data required under NAGPRA is yielding new information that helps us all. In the process of identifying sensitive cultural items, museums are learning much more about their entire collections. Delegations of elders and religious leaders have supplied valuable new insights about many objects in the repositories they have visited, and in turn they are discovering items of immense interest to their own tribes, the existence of which had been unknown in recent generations. Few items in these categories are being sought for repatriation; it is simply that access to the collections has led to much better mutual understanding and exchange of knowledge. While the repatriation process will eventually end as the transfer of materials is completed, the long-term relationship created between museums and tribes will continue.

Thus, this funding will not just support expenses mandated by law. It is also an excellent investment that serves the public interest now—and will continue to pay dividends in the future—through more accurate and respectful exhibits and education programs that are the fruits of long-term collaborations.

Finally, we respectfully urge you to keep in mind that we are talking in large part about the reburial of the remains of human beings, and that under a reasonable and dignified standard, such repatriation and reburial should occur with all due haste. Certainly the United States government has acted urgently with due regard to repatriation of remains of American soldiers killed in foreign wars or missing in action. Native American repatriation and reburial should be treated with the same priority and dignity.

The consortium appreciates this opportunity to testify on this issue.

PREPARED STATEMENT OF THE AMERICANS FOR NATIONAL PARKS

Americans for National Parks (ANP) is pleased to share its views regarding the programs in the Department of Interior's budget that affect national park resources and requests that this statement be included in the hearing record for the fiscal year 2004 Interior and Related Agencies appropriations bill. We appreciate the opportunity to share our priorities for funding and we respectfully request that the Committee consider these views as the fiscal year 2004 budget is shaped. ANP requests an increase of $178 million over the current fiscal year 2003 spending levels, $102 million above the president's request, for a total of $1,633,351,000 in fiscal year 2004 for the operation of the National Park System.

ANP is a growing coalition of people who care deeply about these awe-inspiring places. Today, we have more than 325 members, including chambers of commerce, nonprofit organizations, private businesses, government municipalities, and tourism and trade associations, working together to encourage Congress and the administration to address the critical needs of the National Park System.

At a time when our country is at war, America's national parks provide a priceless opportunity to reconnect with our shared history and culture and awe-inspiring

wilderness. From the hallowed grounds of Gettysburg National Military Park to the peaks of Wrangell-St. Elias National Park and Preserve. From breathtaking landscapes, like the scenic badlands of Theodore Roosevelt National Park, to crown jewels like Mesa Verde National Park, Bandelier National Monument, and other sites that preserve and interpret our culture. All of our 388 national park sites help define us, inspire us to continue to grow as a diverse nation, and, especially during difficult times, offer us solace.

Now is the time to cherish these precious places, but sadly, many are in dire straits. While Congress has regularly increased funding, the budget of the National Park Service has failed to keep pace with need, crippling the ability of dedicated park staff to protect native plants and wildlife, and the cultural and historic artifacts within the parks, as well as meet the needs of millions of visitors.

Examples of the dire need can be found across the National Park System: At Death Valley National Park, public education activities have been reduced by a third. Many of Mesa Verde's 600 archaeological sites containing prehistoric architecture have not been visited in 40 years due to inadequate staffing. These sites need to be assessed, documented, treated, and monitored, resulting in long-term preservation for research, interpretation and visitor education. Twenty-one Native American groups have a history in Yellowstone, yet only one percent of the park has been surveyed for Native American sites. Through natural erosion, land use, and vandalism, sites are being damaged before they can be studied. Great Smoky Mountains National Park doesn't have sufficient staff and funding to maintain the park's many historic structures, including historic log cabins and mills. White Sands National Monument needs additional staff to manage its museum collection, so that relics, such as Mogollon pottery shards, will be properly preserved. Mount Rainier National Park doesn't even have a volcanologist or geologist on staff to monitor the park's active volcano!

Research in more than 50 parks has revealed that national parks are operating, on average, with only two-thirds of the needed funding-and annual shortfall of more than $600 million. A critical first step toward alleviating this shortfall is an increase of $178 million, a reasonable and manageable amount that would better enable the National Park Service to fulfill its mission and preserve our national parks unimpaired for future generations.

The national parks inspire all who treasure the best of our nation to stand up as stewards for their protection. Please support a $178-million increase for our national parks. Because there's just too much to lose.

PREPARED STATEMENT OF AMERICANS FOR OUR HERITAGE AND RECREATION

REQUEST

—Full funding of the Interior Appropriation's Conservation Trust Fund (also known as the Conservation Spending Category) at its $1.56 billion level;
—Funding for the Land and Water Conservation Fund's stateside program at no less than $200 million; and
—Funding for the Urban Park and Recreation Recovery Program at no less than $50 million.

Americans for Our Heritage and Recreation is a broad and diverse organization representing more than 1,000 park and recreation associations, state and local elected and non-elected officials, conservation and wilderness proponents, the outdoor recreation and sporting goods industries, wildlife enthusiasts, smart growth champions, urban parks groups, historic preservationists, land trust leaders, the youth sports community, and civic groups.

The organization works to communicate to policy makers at all levels of government the value of parks and recreation areas made possible by the Land and Water Conservation Fund and the need for support of these sites. AHR mobilizes this national coalition through its extensive grassroots communications network, employing regional and state leaders to coordinate an integrated public education campaign.

AHR is committed to permanent full funding for the Land and Water Conservation Fund (LWCF), with an equitable allocation of funds between its federal and state matching grants programs. In addition, AHR supports a revived and substantially funded Urban Park and Recreation Recovery program (UPARR). We believe the Conservation Trust Fund, passed by Congress in 2000, is a significant short-term commitment. Accordingly, AHR supports full funding of this program in fiscal year 2004 at its $1.56 billion level.

The organization recognizes the original intent of LWCF as a long-term investment of proceeds from sales of non-renewable resources to acquire land and water

within our nation's national parks, forests, wildlife refuges, and other public lands, and to enhance recreation opportunities at the state and community levels. That is why AHR supports the use of LWCF funds for these purposes but not for programs outside of its legislative mandate. We also ask the Senate Appropriators to follow the President's lead in fiscal year 2004 by protecting the traditional priority of state-side LWCF funds for accessible public recreation enhancement.

In asking for your leadership, we believe:

—*LWCF and UPARR are programs that return conservation and recreation funds to states and local communities*.—LWCF has been responsible for more than 38,000 community parks that reflect local concerns and needs. UPARR has been integral to a healthy and safe urban community life through funding municipal parks and creating urban soccer, baseball, and football fields. Collectively, these resources are nationally important.

—*LWCF and UPARR encourage and promote healthy lifestyles, an area of growing concern in our country*.—Five chronic diseases—heart disease, cancers, stroke, chronic obstructive pulmonary diseases, and diabetes—account for more than two-thirds of all deaths and three-fourths of the $1 trillion spent on health care annually. Research is clear that aggressive health promotion, especially with regard to daily physical activity, can substantially alter the epidemic brought on by current trends in these chronic diseases. If funded at appropriate levels, LWCF and UPARR can continue to be instrumental in helping local communities develop close-to-home recreation that can serve as venues for physical activity.

—*LWCF and UPARR promote smart growth and livable communities*.—LWCF and UPARR are a means to assist intelligent, planned growth, and to curb the detrimental effects of sprawl by protecting lands outside the borders of the city, and making efficient and attractive use of open space within it. LWCF and UPARR empower states and municipalities to accomplish these objectives through leverage by partnering of federal, state, and local funds.

—*LWCF and UPARR are critical resources for providing recreation places for America's kids*.—LWCF has helped communities create more than 7,000 soccer and football fields, 6,000 baseball fields, and thousands of other recreation centers. UPARR provides recreation centers for children in the critical 3 p.m. to 6 p.m. time frame, providing learning environments where children are tutored and have access to mentors.

Parks and recreation areas funded through LWCF and UPARR are integral components of community life for millions of Americans nationwide. They provide venues for everything from hiking and biking, to picnicking and playing ball. They serve as places for people to gather, gain strength, and affirm their faith in America's core values.

The broad range of groups that comprise AHR evinces the enthusiastic support for LWCF and UPARR across the country. Fully funding the Conservation Trust Fund, with LWCF at no less than $200 million and UPARR at no less than $50 million, will demonstrate to the American people that Congress recognizes the important role these programs have played in ensuring that parks and recreation centers will always be there. This appropriation, coupled with adequate funding for LWCF's federal program, will advance the goal of a national system of American parks. The time to make this commitment is now.

PREPARED STATEMENT OF THE AMERICAN HIKING SOCIETY

Mr. Chairman and members of the subcommittee, American Hiking Society represents 5,000 members and the 500,000 members of our 160 affiliated organizations. As the national voice for America's hikers, American Hiking Society (AHS) promotes and protects foot trails and the hiking experience-and is a long time partner with the National Park Service (NPS), USDA Forest Service, and Bureau of Land Management (BLM). In order for Americans to enjoy the outdoors, we need protected open spaces and well-maintained trails and other recreation facilities. We urge you to support funding increases that will protect trails and recreation resources for the benefit of the nation. American Hiking makes the following trail and recreation funding recommendations for fiscal year 2004:

National Park Service:

—Rivers, Trails and Conservation Assistance program.—$15 million

—National Trails System.—$11 million

—Geographic Information System Network for National Trails.—$1.25 million

USDA Forest Service:

—Recreation Management, Heritage and Wilderness.—$320 million

—Capital Improvement and Maintenance—Trails.—$100 million
Bureau of Land Management:
—Recreation Management.—$64 million
Conservation Trust Fund.—$2.08 billion
—Stateside Land and Water Conservation Fund (LWCF).—$200 million
—Federal LWCF, Ice Age National Scenic Trail, National Park Service.—$4 million
—Federal LWCF, Appalachian National Scenic Trail, USDA Forest Service.—$8.3 million
—Federal LWCF, Florida National Scenic Trail, USDA Forest Service.—$5 million
—Federal LWCF, Pacific Crest National Scenic Trail, USDA Forest Service.—$5 million
—Federal LWCF, Pacific Crest National Scenic Trail, BLM.—$1 million
—Urban Park and Recreation Recovery Program (UPARR).—$50 million

TRAILS AND RECREATION FUNDING

Our public lands offer Americans outstanding outdoor recreation opportunities, especially hiking, to experience freedom and renewal while enjoying natural and cultural treasures. Hiking represents one of the fastest growing recreational activities—75 million Americans hike regularly or occasionally according to the Outdoor Industry Association's Participation Study 2001. However, many recreation opportunities are at risk, have deteriorated, or been lost due to funding shortages.

Federal policy encouraging healthy lifestyles, promoting volunteerism, and backing partnerships to protect and maintain our public lands prompt and support funding increases for trail and recreation programs across the National Park Service, USDA Forest Service, and Bureau of Land Management. Targeted funding increases coupled with increased on-the-ground recreation staff, including trail and volunteer coordinators, is essential to providing and preserving hiking and other outdoor recreation opportunities nationwide.

National Park Service.—The 17 national scenic and historic trails administered by the National Park Service require $11 million for natural and cultural resource management and protection, improving visitor services, and strengthening volunteer partnerships. For most of the national scenic and historic trails, barely one-half of their congressionally authorized length and resources are protected and available for public use. Most trail offices are understaffed, hindering the agencies' ability to properly administer and manage these trails and work effectively with other public agencies and non-profit volunteer partner organizations.

In 2002, national trail volunteer organizations contributed more than $6.8 million in financial resources and over 662,429 volunteer hours with an estimated labor value of $10.6 million to the national scenic and historic trails (Partnership for the National Trails System data). Of this, the volunteer hours contributed to the 17 NPS administered trails represents approximately 11 percent of total volunteer hours contributed to the NPS. These volunteer contributions leverage federal funding significantly but must not be considered a substitute for appropriations. Many of the national scenic trails have made significant strides in trail maintenance and protection efforts, but much work remains for these trails to become the continuous footpaths that Congress intended. American Hiking thanks the subcommittee for its support of the National Trails System and urges you to increase funding to help complete and protect these national treasures. AHS endorses the specific figures submitted by the Partnership for the National Trails System.

In addition, NPS requires $1.25 million to continue work on a Geographic Information System network for the national scenic and historic trails. This program, costing approximately $9.8 million over five years, will provide accurate information to assist the public, trail managers, and other stakeholders in trail protection, development, maintenance, interpretation, and resource management. The project applies state-of-the-art technology to better administer and protect trail resources and landscapes and facilitates interagency coordination of staff, data, and resources.

The NPS' Rivers, Trails and Conservation Assistance (RTCA) program requires $15 million to help communities manage and protect their recreational and natural resources. Despite the program's successes in coordinating over 200 projects annually, RTCA funding has remained relatively stagnant during the last decade and lagged well behind the rate of inflation. The program's declining real budget has caused large cuts to staff and therefore, to projects.

With its strong focus on partnerships, RTCA is exceptionally cost efficient and effective. In fiscal year 2002, RTCA helped develop more than 1,200 trail miles, protect more than 850 river miles, and preserve nearly 18,000 acres of open space.

RTCA-assisted projects accomplish much more than conservation goals. They promote physical activity, encourage smart growth, minimize flood loss, provide opportunities for close-to-home recreation, and revitalize inner-city communities. RTCA has experienced a dramatic increase in requests for assistance but is only able to assist half of all applicants. The Administration budget includes a much needed $1.5 million increase, but the program needs a total of $15 million to put staff closer to the people they serve, to replace the staff they lost in years of declining real budgets, and to better help communities meet local conservation needs.

USDA Forest Service.—We strongly support increased funding for two major Forest Service programs-Recreation Management, Heritage, and Wilderness and Capital Improvement and Maintenance for trails. The current investment in Forest Service recreation falls far below the level needed to support the role recreation plays in the agency and economy, yet the Forest Service itself highlights the growing importance of recreation through the continued implementation of its Recreation Agenda released in September 2000.

The Forest Service estimates that recreation creates over 75 percent of the Gross Domestic Product generated from Forest Service land, yet only about 10 percent of the Forest Service budget goes to recreation. The Forest Service requires increased funding to restore and maintain thousands of miles of trails; protect and preserve natural and cultural resources; upgrade inadequate and/or poorly maintained recreation facilities; reduce the maintenance backlog; augment on-the-ground recreation staff; and more effectively utilize and support volunteers. Increased funding is especially crucial to the Recreation Agenda goals of reducing the $298 million recreation maintenance backlog and placing trail and volunteer coordinators and/or recreation planners at each national forest and for each nationally designated area or trail. Just as the Administration is focused on eliminating the maintenance backlog for the NPS, we urge Congress to appropriate funds to address the Forest Service and BLM maintenance backlogs.

Despite the agency's increased emphasis on recreation, we are concerned that this conversation at the top is not translating to the ground. Very few national forests have even one full-time trails coordinator. Understaffing often results in volunteers performing essential functions instead of agency personnel. And despite the number of hiking and other recreation organizations that offer to volunteer to build and maintain trails in national forests, very few forests have a volunteer coordinator. Ironically, volunteer trail crews have been turned away because of the agency's inability to provide even minimal supervision or support. In 2002, more than 90,700 volunteers contributed three million work-hours valued at $38 million to the Forest Service; 70 percent of this contribution supported recreation. These efforts warrant an expanded commitment to trails and recreation funding, notably funding for recreation staff on the ground.

The Forest Service must receive additional funding to manage Wilderness effectively and appropriately. With 33,000 miles of trail in FS Wilderness, and an estimated 12.7 million visits in 2001, increased funding is necessary to provide quality recreation experiences with minimal impact to the environment and to keep these places truly wild for future generations.

Ensuring visitor safety, protecting natural resources, maintaining visitor access, and improving the backcountry and recreation experience require a greater investment in trails. The Forest Service trail maintenance backlog totals over $118 million. Inadequately maintained trails suffer from excessive erosion, trail widening, and braiding. Many trails are in such disrepair that they require re-construction. Increasing the trails budget is crucial to enable the agency to begin to address this significant recreational infrastructure need, including projects such as bridge replacement or trail relocation.

The Forest Service administers four national scenic and historic trails and manages significant portions of 11 other national trails. Responsible administration requires the full-time attention of an inter-regional administrator for each trail and continual collaboration with other federal and state agencies and nonprofit partner organizations. Land acquisition by dedicated land teams is underway for the Florida and Pacific Crest Trails. New sections of the Continental Divide, Florida and Pacific Crest Trails must be constructed to fill in gaps in these long-distance trails.

Bureau of Land Management.—BLM manages over 4,700 miles of national scenic, historic, and recreational trails as well as thousands of miles of multiple use trails. BLM requires increased funding to manage rapidly expanding recreational use while protecting natural and cultural resources, including the special areas managed under the National Landscape Conservation System. Outdoor recreation is an important use of these lands and management of outdoor recreation resources, facilities, and visitor use are important components of the BLM's multiple use mission, yet the agency remains severely underfunded and understaffed.

BLM requires additional funding to manage existing recreation programs; protect resources; upgrade planning efforts, including the engagement of local communities; adapt to increasing visitor demands; and to manage off-highway vehicle usage more effectively. Recreation facilities are inadequate or often in poor condition, and staff shortages place recreational, natural, and cultural resources at risk. Additional staffing is especially needed to meet the management demands for each of the National Monuments and National Conservation Areas.

Conservation Trust/Land and Water Conservation Fund.—AHS strongly supports federal Land and Water Conservation Fund (LWCF) appropriations for the Appalachian, Ice Age, Florida, and Pacific Crest National Scenic Trails. Only one of the eight national scenic trails—the Appalachian Trail—is nearly complete; we urge you to turn your support toward the remaining national scenic trails and label them as high priority projects under the LWCF. LWCF monies for land purchases must also be accompanied by adequate funding for the agencies to effectively manage the acquisitions process and disburse the appropriations. We support $200 million for the stateside LWCF program. UPARR should be restored at the amount of $50 million, and the Conservation Trust Fund should be funded at its dedicated amount of $2.08 billion in fiscal year 2004.

Fee Demo.—AHS recognizes that the Recreational Fee Demo Program is an attempt to meet the growing needs of recreationists at a time when appropriations are not keeping pace with demand, yet we urge the Subcommittee to continue to oppose any trail and recreation appropriations offsets with Fee Demo revenues. American Hiking is committed to working with Congress and the agencies on the proper role and application of recreation entrance/user fees.

On June 7, 2003, AHS will coordinate the eleventh National Trails Day (NTD) to raise public awareness and appreciation for trails. Participants will gather at more than 2,000 NTD events nationwide. Thank you for considering our request. AHS members and outdoorspeople nationwide appreciate the subcommittee's support in the past and look forward to continued strong support.

PREPARED STATEMENT OF AUDUBON OF FLORIDA

Mr. Chairman and members of the Committee, on behalf of Audubon of Florida, a strategic alliance of the National Audubon Society, Florida Audubon Society and 43 chapters and 40,000 members in the State of Florida, thank you for the opportunity to express to your Committee our recommendations for fiscal year 2004 funding of specific programs and projects at the Department of the Interior related to the restoration of America's Everglades.

The Everglades ecosystem, from the Kissimmee River Valley in the north through Lake Okeechobee, the Everglades, Florida Bay, the Keys, and the coral reefs to the south, is a unique and world-renowned eco-region. The Everglades has been abused for more than 100 years. Its restoration is the most ambitious environmental challenge our nation has ever undertaken. Congress approved, and the State of Florida supports, the Comprehensive Everglades Restoration Plan (CERP) as a framework for changes to the Central and Southern Florida (C&SF) Project. CERP, along with Modified Water Deliveries and C–111 projects, are needed to restore, preserve, and protect the South Florida ecosystem, while providing for other water-related needs of the region consistent with restoration goals. We urge support for the following funding needs for fiscal year 2004:

LAND ACQUISITION ASSISTANCE TO THE STATE OF FLORIDA—ZERO FUNDING

The Administration has proposed to zero out this critical program that provides assistance to the State in purchasing lands needed for Everglades restoration at the worst possible time, when the State of Florida has run out of money for land acquisitions. The program was funded at $20 million in the President's request last year and needs to be significantly increased, not zeroed out. Now is not the time to cut land acquisition assistance when over 200,000 acres needed for the Comprehensive Everglades Restoration Plan (CERP) remain to be acquired at an estimated cost of approximately $2 billion and real estate prices are escalating dramatically. Restoration options are being foreclosed in South Florida as the CERP footprint is being developed, and the State is out of money for its land acquisition program, leaving crucial lands at risk. National Park Service Land Acquisition Assistance to the State of Florida should be funded at $20 million.

SCIENCE FUNDING

We urge the Committee to fund U.S. Geological Services and NPS Everglades science programs at least $15 million. The National Research Council's December, 2002 report on Everglades science indicated that recent funding for the Critical Ecosystem Studies Initiative (CESI) of $4 million is inadequate. CESI funding should be gradually restored to its previous levels of $12 million. In addition to CESI, adequate funding should also be provided to ongoing critical Everglades studies regarding the sheet flow of water across the Everglades, water quality, the levels of mercury and other contaminants, nutrient levels, and the complex interaction of groundwater and surface water in South Florida. On-going science and research are critical to the successful use of adaptive assessment. Applied research that directly supports implementation and monitoring of project effectiveness is vital to the success of the CERP.

CERP FUNDING

The Administration's request of $9 million for CERP implementation for Fish and Wildlife Service and NPS in fiscal year 2004 should be increased to $10 million. The functions and responsibilities of the recently closed Interior South Florida office were transferred to the Miami Office of the South Florida Ecosystem Restoration Task Force. We urge the Committee to provide $1 million additional funding to support these additional functions and responsibilities.

MODIFIED WATERS DELIVERIES TO EVERGLADES NATIONAL PARK PROJECT

Funding for this project, which would return critical sheetflows of water to Everglades National Park and Florida Bay, was cut by $300,000 to $13 million. The Modified Water Deliveries project should be funded at $15 million, $2 million above the Administration's request. The budget must continue adequate funding for previously authorized programs such as this project whose performance assumptions have been included in the CERP. It is crucial to the successful and timely implementation of CERP that all components of the Modified Water Deliveries project be adequately funded and completed in 2005. This will require $15 million in fiscal year 2004 and an additional $15 million in fiscal year 2005.

NO CONSTRUCTION FUNDING FOR PILOT PROJECTS

While funding for the Pilot Projects comes under the purview of the Energy and Water Subcommittee, we feel it is appropriate to keep the Interior Subcommittee apprised of the urgent need to fund these projects since so much of the CERP is dependent on their results. Congress authorized Everglades restoration with the understanding that there were some unanswered questions regarding the technological and scientific challenges facing certain aspects of Everglades restoration, and that the plan would have to evolve and adapt over time to answer those questions. Pilot projects were designed to provide the technical detail needed to resolve some of the uncertainties surrounding the Aquifer Storage and Recovery, Seepage Management, and Lake Belt storage components of the CERP. Construction funding of $2.5 million is needed to begin these pilot projects that have been delayed for several years due to a lack of construction funding.

The President committed on January 9, 2002 in the Comprehensive Everglades Restoration Plan Assurance of Project Benefits Agreement, "To effectuate this agreement, the Federal party [President of the United States] agrees [t]o include within the President's budget submissions to the Congress requests for the Federal appropriations in the amount the President deems necessary to implement the Federal share of the Plan's implementation[.]" We note that this funding was left out of the Administration's budget, and ask that Congress correct this apparent oversight in order to implement the plan with the requisite scientific rigor.

We greatly appreciate this opportunity to provide the Committee with our views on the fiscal year 2004 Interior budget.

PREPARED STATEMENT OF THE CALIFORNIA INDUSTRY AND GOVERNMENT CENTRAL CALIFORNIA OZONE STUDY (CCOS) COALITION

On behalf of the California Industry and Government Central California Ozone Study (CCOS) Coalition, we are pleased to submit this statement for the record in support of our fiscal year 2004 funding request of $1,000,000 for CCOS as part of a Federal match for the $9.1 million already contributed by California State and local agencies and the private sector. This request consists of $500,000 from the De-

partment of Energy (DOE), $250,000 from the National Park Service (NPS), and $250,000 from the Forest Service.

Most of central California does not attain federal health-based standards for ozone and particulate matter. The San Joaquin Valley is developing new State Implementation Plans (SIPs) for the federal ozone and particulate matter standards in the 2002 to 2004 timeframe. The San Francisco Bay Area has committed to update their ozone SIP in 2004 based on new technical data. In addition, none of these areas attain the new federal 8-hour ozone standard. SIPs for the 8-hour standard will be due in the 2007 timeframe—and must include an evaluation of the impact of transported air pollution on downwind areas such as the Mountain Counties. Photochemical air quality modeling will be necessary to prepare SIPs that are approvable by the U.S. Environmental Protection Agency.

The Central California Ozone Study (CCOS) is designed to enable central California to meet Clean Air Act requirements for ozone State Implementation Plans (SIPs) as well as advance fundamental science for use nationwide. The CCOS field measurement program was conducted during the summer of 2000 in conjunction with the California Regional $PM_{10}/PM_{2.5}$ Air Quality Study (CRPAQS), a major study of the origin, nature, and extent of excessive levels of fine particles in central California. CCOS includes an ozone field study, a deposition study, data analysis, modeling performance evaluations, and a retrospective look at previous SIP modeling. The CCOS study area extends over central and most of northern California. The goal of the CCOS is to better understand the nature of the ozone problem across the region, providing a strong scientific foundation for preparing the next round of State and Federal attainment plans. The study includes six main components:

—Developed the design of the field study
—Conducted an intensive field monitoring study from June 1 to September 30, 2000
—Developing an emission inventory to support modeling
—Developing and evaluating a photochemical model for the region
—Designing and conducting a deposition field study
—Evaluating emission control strategies for upcoming ozone attainment plans

The CCOS is directed by Policy and Technical Committees consisting of representatives from Federal, State and local governments, as well as private industry. These committees, which managed the San Joaquin Valley Ozone Study and are currently managing the California Regional Particulate Air Quality Study, are landmark examples of collaborative environmental management. The proven methods and established teamwork provide a solid foundation for CCOS. The sponsors of CCOS, representing state, local government and industry, have contributed approximately $9.1 million for the field study. The federal government has contributed $3,730,000 to support some data analysis and modeling. In addition, CCOS sponsors are providing $2 million of in-kind support. The Policy Committee is seeking federal co-funding of an additional $6.25 million to complete the remaining data analysis and modeling and for a future deposition study. California is an ideal natural laboratory for studies that address these issues, given the scale and diversity of the various ground surfaces in the region (crops, woodlands, forests, urban and suburban areas).

There also exists a need to address national data gaps, and California should not bear the entire cost of addressing these gaps. National data gaps include issues relating to the integration of particulate matter and ozone control strategies. The CCOS field study took place concurrently with the California Regional Particulate Matter Study—previously jointly funded through Federal, State, local and private sector funds. Thus, CCOS was timed to enable leveraging the efforts of the particulate matter study. Some equipment and personnel served dual functions to reduce the net cost. From a technical standpoint, carrying out both studies concurrently was a unique opportunity to address the integration of particulate matter and ozone control efforts. CCOS was cost-effective since it builds on other successful efforts including the 1990 San Joaquin Valley Ozone Study. Federal assistance is needed to address these issues effectively.

For fiscal year 2004, our Coalition is seeking funding of $500,000 from the Department of Energy (DOE) Fossil Program.—The California Energy Commission is a key participant, having contributed $3 million. Consistent with the memorandum of understanding between the California Energy Commission and the DOE, joint participation in the CCOS will result in: 1) enhanced public interest in programs on energy research, development, and demonstration; 2) increased competitiveness and economic prosperity in the United States; and 3) further protection of the environment through the efficient production, distribution, and use of energy.

The CCOS program coincides with DOE's initiative to develop the Federal Government's oil technology program. In fact, the oil industry in California has been

working for several years with DOE to identify innovative partnerships and programs that address how changes in those sectors can cost-effectively reduce particulate matter and ozone-related emissions. This approach will likely result in new ideas for technologies to improve oil recovery technologies, as well as improve environmental protection in oil production and processing operations. The overlap of CCOS and the California Regional Particulate Matter Air Quality Study provides a unique opportunity to perform research related to petroleum-based VOC and particulate matter emissions as well as methods to characterize these categories of emissions. The CCOS program is utilizing modeling, instrumentation, and measurement to obtain results that can be used to better understand the impact of oil and gas exploration and production operations on air quality. CCOS program results might also be applied to identify the most efficient and cost-effective methods of reducing emissions from oil and gas operations.

The Department of Energy has been a key participant in many programs with the oil and agricultural sectors. By becoming a partner in this program, DOE will be furthering its own goals of "Initiatives for Energy Security" by aiding domestic oil producers to enhance their environmental compliance while reducing their costs. DOE will also be building upon an established and effective partnership between state and local governments, industry, and institutional organizations.

For fiscal year 2004, our Coalition is also seeking funding of $250,000 from the National Park Service (NPS) and $250,000 from the Forest Service.—The National Park Service and Forest Service conduct prescribed burns that contribute to both ozone and particulate matter pollution. Prescribed burns are needed for forest health or to reduce fuel loads, and must be carefully managed to minimize public health and visibility impacts.

Improving the fundamental science related to emissions, meteorological forecasting, and air quality modeling will help in designing effective smoke management programs. In addition, attainment of air quality standards is an important goal for protecting national parks and forests. Ozone damage to trees and vegetation in national parks and forests is well documented in California and nationwide. The National Park Service and Forest Service are key stakeholders relying on the success of SIPs in achieving the emission reductions needed to attain air quality standards. The participants in the CCOS have been partners in regional study efforts addressing visibility and haze impacts on national parks and forests in the West. The results of this study will provide valuable information that will further those efforts on a regional basis.

Scientists at the University of Nevada, Desert Research Institute (DRI) are involved with the CCOS. To expedite research studies related to biomass burning and smoke management for CCOS, it is requested that funds provided by the National Park Service and Forest Service be allocated directly to DRI.

Thank you very much for your consideration of our requests.

PREPARED STATEMENT OF CITIZENS FOR MOJAVE NATIONAL PARK

Mr. Chairman, the Citizens For Mojave National Park (CFMNP) would like to thank you for the opportunity to provide recommendations and comments on the fiscal year 2004 Department of the Interior and Related Agencies Appropriations bill. On behalf of the more than 500 members and supporters of CFMNP, an organization dedicated to protecting the natural and cultural resources of the Eastern Mojave Desert, I provide below our fiscal year 2004 funding recommendations for the Land and Water Conservation Fund projects and Conservation Trust Fund. Our top priorities include:

—$450 million for Land and Water Conservation Fund federal land acquisition within the Conservation Trust Fund in fiscal year 2004:

—we specifically recommend $2 million for the National Park Service to fund Mojave National Preserve federal LWCF projects;

—the Conservation Trust Fund should be funded at its dedicated amount of $2.08 million in fiscal year 2004.

Adequate fund for the programs discussed below is vital to protect America's wild areas and environmental values, essential components of our American identity and our heritage. The land and our relationship with it infuse our history, our heroes, and our hearts. We hope to work with you to find the resolve and funding to protect those values that, like freedom itself, are a national birthright.

The Mojave National Preserve, managed by the National Park Service, is a diverse ecosystem that contains sand dunes, Joshua tree forests, desert washes, dry lakes, and mile-high mountains. The landscape provides habitat to a wide variety of animals including bighorn sheep, cougars, mule deer, and the threatened desert

tortoise. Numerous private inholdings exist within the National Preserve, some of which have proposed development by the owners in the past. As these inholdings become available for purchase it is essential that they be acquired for preservation to prevent development and critical habitat loss. The purchase of critical inholdings within the Mojave National Preserve is an ongoing project and we request funding of $2,000,000 for fiscal year 2004. Funding will be used to secure the most urgent properties first.

In conclusion, it is important to our high desert communities that willing sellers have an avenue with which to sell their inholding properties within the Mojave National Preserve. This relatively new national preserve is a great tourism attraction in our county and brings in thousands of dollars of income to our desert communities each year. Please fund the Land and Water Fund with $450 million for fiscal year 2004 and the Conservation Trust Fund at $2.08 billion. Thank you.

PREPARED STATEMENT OF THE CIVIL WAR PRESERVATION TRUST

On behalf of the 43,000 members of the Civil War Preservation Trust (CWPT), I respectfully ask the Subcommittee's support for the $2 million requested in President Bush's fiscal year 2004 Budget for Civil War battlefield preservation matching grants. The request is included in the Federal side of the National Park Service's land acquisition appropriations account financed from the Land and Water Conservation Fund.

In fiscal year 1999 and fiscal year 2002, Congress allocated a total of $19 million for Civil War battlefield preservation matching grants. Most of the funding has already been put to good use, saving more than 10,000 acres of key endangered battlefields in 14 states. CWPT has met with Subcommittee Majority and Minority staff to provide them with specific information demonstrating these results and contrasting them to the costly legislative taking at the Manassas, Virginia, battlefield in 1988.

However, despite these accomplishments, much more needs to be done if our children and grandchildren are to have the opportunity to walk these precious and threatened historic resources.

For this reason, Congress late last year authorized a total of $50 million for Civil War battlefield preservation matching grants between fiscal year 2004 and fiscal year 2008. The bill, which received broad bipartisan support, was signed into law by President Bush on December 17, 2002 (Public Law 107–359). These Federal grants must be matched on a one-to-one basis by the Government's partners in state and local governments and the private sector.

The grants will be administered on a competitive basis through the American Battlefield Protection Program, an arm of the National Park Service. The program will employ ranking criteria developed by the 1993 Congressionally established Civil War Sites Advisory Commission, on which House Interior and Related Agencies Appropriations Subcommittee Chairman Charles Taylor served.

I should also emphasize that none of the matching grants will go to finance Civil War Preservation Trust or other non-Federal staff or overhead. All the funding will be directly used to protect America's historic battlefields.

The President's $2 million request will build on the success of the fiscal year 1999 and fiscal year 2002 funding and last year's historic authorization legislation. It is an excellent example of sensible, cost-effective public/private land conservation.

In addition, it will complement the "Preserve America" initiative announced by the First Lady on March 3, 2003. This initiative is intended to bring history alive for all Americans.

The President's fiscal year 2004 request features:

—cooperative Federal partnerships with state and local governments and the private sector;

—acquisition of lands and interests in lands from willing sellers only, outside the boundaries of National Park System units (thus, not adding to the Park Service's backlog of deferred maintenance);

—highly targeted funding using matching grants and the already established, Congressionally sanctioned, priority list of Civil War battlefield sites recommended by the 1993 Commission (this is no "save everything everywhere program"); and

—most importantly, the opportunity to preserve historic resources that illuminate the past and tell us what it means to be Americans (resources that will be gone forever over the next 5–10 years if we do not act now).

Mr. Chairman, the Civil War Preservation Trust is grateful for the past support Congress has given to the issue of battlefield preservation. We look forward to work-

ing with Subcommittee Members and staff to ensure that the momentum of past accomplishments is maintained in the coming year.

In particular, our chairman, Paul Bryant, our vice-chairman, John Nau (who is also the chairman of the Advisory Council on Historic Preservation), and I are especially appreciative of Congressional support of Civil War battlefield preservation, and what the previous appropriations and the $2 million request for fiscal year 2004 have meant, and will mean, for the permanent protection of hallowed ground throughout the nation.

Thank you for your consideration and your attention to this matter.

PREPARED STATEMENT OF FRIENDS OF ACADIA

I am writing on behalf of Friends of Acadia to respectfully request $1,633,351,000 in operations for the National Park Service in the fiscal year 2004 Interior Appropriations bill. This represents an increase to the Park Service's operating budget by $102 million above the President's request and $178 million above the enacted fiscal year 2003 level.

Friends of Acadia is a nonprofit conservation organization located in Bar Harbor, Maine. The organization's mission is to preserve and protect the outstanding natural beauty, ecological vitality, and cultural distinctiveness of Acadia National Park and its surrounding communities. Friends has approximately 4,000 members in Maine and 32 other states who share a common love for the park, Maine's most visited natural destination.

Two years ago, a business plan was completed for Acadia under the national Business Planning Initiative, a program started by the National Parks Conservation Association in conjunction with the National Park Service and several private foundations. On average, business plans completed at national parks across the country showed a 32 percent annual operational funding shortfall ($600 million overall). At Acadia, the situation was much worse—a 53 percent or $7.3 million annual operating funding shortfall.

Despite the best efforts of Acadia National Park staff, these operating funding shortfalls limit the Park Service's ability to fully manage park resources and serve the three million visitors who come to the park each year. Some examples:

—The park's complex, 115-mile boundary and miles of roads and trails are not adequately patrolled, resulting in resource damage from illegal snowmobile and all-terrain vehicle use, illegal trail cutting, and poaching.

—Acadia National Park owns or holds conservation easements on more than 70 coastal Maine islands. Due to operational funding shortfalls, park staff is unable to routinely monitor and protect important archaeological sites on these islands.

—A pair of Civil War-era dueling pistols and museum artifacts that are centuries old sit in boxes at park headquarters, awaiting cataloging and preservation with more than a million other objects because there is not enough funding to do the job.

—Over the next few years, Acadia will be restoring the natural and cultural environments of the Park's campgrounds (i.e. revegetate social trails, repair water and road systems, etc.), yet these improvements are at risk if operational dollars are not available to maintain them.

Acadia is fortunate to have received several operating funding increases in recent years, and we thank you for your leadership in securing these crucial operating dollars. Unfortunately, however, the National Park Service operating budget, including Acadia, has failed to keep pace with the increasing demands being placed on our parks.

Friends of Acadia recognizes that in these difficult times, there are many needs competing for limited funding. Our national parks, especially Acadia, represent an important quiet refuge for American citizens, and they help protect much of our natural and cultural heritage. We support a $178 million increase in the National Park Service operations over the fiscal year 2003 enacted level because we feel that it demonstrates long-term Congressional commitment to preserving the National Parks while preventing greater costs in the future to repair degraded national assets.

Thank you very much for your time and consideration.

PREPARED STATEMENT OF FRIENDS OF GREAT SMOKY MOUNTAINS NATIONAL PARK

As you prepare the fiscal year 2004 Interior Appropriations bill, Friends of Great Smoky Mountains National Park respectfully requests your support for

$1,633,351,000 in operations for the National Park Service, an increase to the Park Service's operating budget of $102 million above the President's request, $178 million above the enacted fiscal year 2003 level.

We thank you for your leadership and commitment to our national parks, and appreciate the increase of $98 million that the Committee provided for park operations during the fiscal year 2003 appropriations process. As you know, unfortunately, this funding increase was significantly reduced in the final fiscal year 2003 figures.

While the National Park Service's operating budget has increased in recent years, it has failed to keep pace with the increasing demands being placed on our parks. The Park Service operating budget is critical to protecting park resources and providing visitor services for the nearly 300 million people who visit our national parks annually.

These funding shortfalls are a source of significant concern for Great Smoky Mountains National Park, the most popular national park in the country. This is especially true for the park's law enforcement program, which experiences one of the heaviest law enforcement workloads in the system. The park is also impacted by rapid development, intense visitation, and special events conducted in gateway communities. Over the years, the park's ability to sustain its law enforcement program has steadily eroded, resulting in a consolidation of districts, a reduction in law enforcement supervisory positions, and elimination of the park's dedicated backcountry patrol function. Even with a more streamlined organizational structure, at current levels, the Division needs an additional $532,000 to sustain currently approved positions on a year-round basis. To make ends meet, the Division has had to lapse a large number of positions for sustained periods and will have to do so for the foreseeable future. The safety and well being of remaining staff—and visitors—are compromised.

Additional funding shortfalls have been identified in other aspects of the park's operations—from preventative maintenance to historic preservation. Similar stories can be told about other units of the National Park System ranging from Glacier National Park in Montana to Theodore Roosevelt National Park in North Dakota and many more. While we welcome line-item appropriations to address law enforcement and other operating needs in the Smokies and other specific parks, we realize that the funding problem affects the entire park system and that it requires a more comprehensive solution.

By increasing operating dollars for the National Park Service, Congress can take a critical step toward providing Great Smoky Mountains National Park and the other 387 units of the National Park System the funding they need and deserve. An increase of $178 million in the parks' operating budgets this year represents a reasonable and manageable amount, and it signifies a wise investment to protect these priceless assets. It is critical to protect our national treasures at a time when their values and resources are so greatly needed by the American public.

We thank you again for your support for our national parks, and we appreciate your continuing attention to this important matter.

PREPARED STATEMENT OF THE GRAND CANYON NATIONAL PARK FOUNDATION

As you prepare the fiscal year 2004 Interior Appropriations bill, we respectfully request $1,633,351,000 in operations for the National Park Service, an increase to the Park Service's operating budget by $102 million above the president's request, $178 million above the enacted fiscal year 2003 level.

We thank you for your leadership and commitment to our national parks, and appreciate the increase of $98 million the Committee provided for park operations in its bill during the fiscal year 2003 appropriation process. As you know, unfortunately, this funding increase was significantly reduced in the final 2003 omnibus appropriations act.

While the National Park Service's operating budget has increased in recent years, it has failed to keep pace with the increasing demands being placed on our national parks. The Park Service operating budget is critical to protecting park resources and providing visitor services to the nearly 300 million visitors to our national parks annually.

In Grand Canyon National Park, the operations budget has remained relatively flat over recent years. A Business Plan Initiative study conducted for the park last summer measured $8,500,000 as its annual operating budgetary shortfall. This limits the park's ability to provide transit needs in one of the world's most popular national parks. It limits the park's staff ability to manage and protect the endangered California condor. It limits the park's ability to defend remote backcountry canyons from the encroachment of nonnative plants like the widely spreading, water hungry

tamarisk. Increased operating dollars for the Park Service represent a critical step toward providing Grand Canyon National Park and the other 387 units of the National Park System the needed funding to survive and meet the needs of constituents.

An increase of $178 million in the parks' operating budgets this year represents a reasonable and manageable amount, and is a small price to pay to protect these priceless assets. While we recognize that our nation is faced with many important funding needs during these challenging times, shortchanging the Park Service's operating budget now will only result in escalating costs in the future.

Americans are unified in supporting our national parks. On behalf of the Grand Canyon, and all our national parks, we urge your support so that current and future generations will enjoy these irreplaceable national treasures.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

NATIONAL PARK SERVICE (NPS)

Natural Resource Challenge

The Association has previously raised serious concerns regarding the conduct and products of the National Resources challenge which National Park Service has not address to our satisfaction. Therefore, the Association can no longer support funding under the Natural Resource Challenge until the Association's concerns are adequately addressed. Despite repeated requests described below, to date we remain unable to ascertain what has actually been accomplished with the previous four years' expenditures in this program. We supported this program when it was established in fiscal year 2000 as a five-year effort "to allow critical conduct of scientific inventory, preservation, protection and management activities, thus bringing the parks current data and other tools necessary to identify and address management needs" by the end of fiscal year 2004. In fiscal year 2001, the Association continued to support the program but urged Congress request status reports to assess NPS' progress in meeting the original goals. The Association did not support funding increases requested in fiscal year 2002, the third year of the program, due to concerns regarding the conduct and lack of accountability in reaching identified products. The fiscal year 2002 budget stated "there are nearly $470 million in unfunded natural resource project needs identified in Resource Management Plans" [p.41] and claimed that "the percentage of the basic inventory needs completed has increased from 20 percent to approximately 40 percent by the end of fiscal year 2002 . . ." [p. 102]. Despite these statements, no accounting of the needs and products are provided. Thus, in fiscal year 2003 the Association refused to support any funding, noting it was the fourth year NPS requested significant increases, originally established as a five-year program. The NPS provided an Annual Performance Plan section in the fiscal year 2002 budget and each year provided reports to Congress consisting of general overviews with few specific examples. The NPS has yet to list the items for which funding has been received each year and the status of completing the previously identified project and inventory needs.

The fiscal year 2004 budget request is the fifth year of the five-year program. With the requested $8.5 million increase, the fiscal year 2004 NPS budget includes a total of $76 million for the Natural Resource Challenge. The Association finds that it cannot support funding for this program until a clear presentation of the status of projects is available, as repeatedly requested, along with specific information on the natural resource information needs. Some of the fiscal year 2004 budget documents state the program is "designed to protect native species and habitats through resource management and performance measures" and that the fiscal year 2004 "increase will focus on monitoring resources." Specifics in the fiscal year 2004 budget indicate the increases will be used "to establish 25 of 32 monitoring networks that track the vital signs of the health of the national parks." Without the requested program specifics, we interpret from the above that considerable increases in staffing has occurred rather than actual data acquisition as justified at the program's inception: "critical conduct of scientific inventory, preservation, protection and management activities, thus bringing the parks current data and other tools necessary to identify and address management needs" by the end of fiscal year 2004.

The Association is also concerned that projects have been developed without consultation with the State fish and wildlife agencies. While NPS may have exclusive jurisdiction within some units of the park system, the state fish and wildlife agency(s) authority overlays many park units. Furthermore, fish and wildlife move across boundaries. Thus, any inventory and monitoring efforts should be fully co-

ordinated with the states prior to the selection, development, design, and during the conduct of the projects.

The Association urges the NPS to coordinate closely with the respective state fish and wildlife agencies so that programs and activities do not compromise State jurisdictional authorities for fish and resident wildlife and to facilitate the cooperative design and conduct of research and management programs. Collaborative efforts between the NPS and the state fish and wildlife agencies play a critical role in achieving land and resource objectives for species and related resources. We are aware of numerous projects that have been conducted without appropriate coordination with the state to use current research techniques or collect useful information. The Association further recommends that funds be made available to the States to maximize discretion of the States in fish and wildlife data, monitoring, and management needs, wherever possible, instead of duplicating or authorizing conflicting programs.

Cooperative Ecosystem Studies Units (CESU)

The Association retains strong concerns about the establishment and continued expansion by NPS of the Cooperative Ecosystem Units and therefore requests that Congress direct the Secretary of the Department of the Interior to clearly and explicitly identify the need for CESUs and articulate the distinction between these entities and the Fish and Wildlife Cooperative Units in the BRD of USGS. It is the Association's conclusion that, unless such a distinction can be clearly articulated and the need clearly identified, Congress should ultimately transfer all monies budgeted for the establishment and operation of CESUs be to the Biological Resources Division of the USGS. NPS has used Natural Resource Challenge monies to create 12 CESUs located in universities and intends to establish 5 more in fiscal year 2004. The purpose of the CESUs is to coordinate and conduct resource research within and adjacent to the park units and to cooperate in other agencies' research. The BRD was created and continues to be funded to serve as the primary research arm for the Department of the Interior bureaus. This research function was solidified with the transfer of the Cooperative Research Units from the FWS to BRD, establishing one research arm to prioritize and conduct quality, credible, and coordinated research on resources. However, the creation of and continued expansion of natural resources research activities in the CESUs, separately established within NPS, has led to duplication of effort among federal and state agencies, confusion among cooperators, and significant expenditures of limited resources. Because Congress intends that BRD be the research arm of the USDI, the Association urges Congress to direct the Secretary to undertake the appropriate analysis of the need for CESUs in the NPS.

Cooperative Conservation Initiative (CCI) and Traditional Land and Water Conservation Fund (LWCF) State Grants Program

The Association supports the fiscal year 2004 funding of $12.0 million in the Cooperative Conservation Initiative for natural resource protection as part of the Challenge Cost Share program. The proposed CCI's intended goal is "restoration, protection and enhancement of natural areas." We urge NPS to thoroughly consult with the states, including the State fish and wildlife agencies, to ensure that the goal of the grants is appropriately addressed in dispersing this $12 million. We similarly urge that the additional $10 million funded in the traditional NPS Challenge Cost Share and Public Lands Volunteers program be dispersed through a coordinated consultation process with the states.

Brucellosis

A significant problem still exists with regard to brucellosis, which affects domestic livestock and other animals and is present in elk and bison in the Greater Yellowstone Area, located within the states of Wyoming, Montana and Idaho. The Association understands that NPS and the Fish and Wildlife Service intend again this year to contribute to a research program conducted by the Biological Resources Division of USGS to improve the vaccination program for brucellosis in elk and bison. This continuing need should clearly be carried as a budget item, rather than identified as a program that will be funded on an "ability to pay" basis by the several agencies. The Association strongly supports this research endeavor, but remains concerned about the level of cooperation with the involved states. We urge the commitment of these several Department of the Interior Bureaus to this project be affirmed in their respective budgets through some type of formal agreement, in full cooperation with the states involved.

PREPARED STATEMENT OF THE JAPANESE AMERICAN CITIZENS LEAGUE

On behalf of the Japanese Americans Citizens League, the nation's oldest and largest Asian Pacific American civil rights organization, I am writing to express our unqualified support for funding to continue a study of the Eagledale Ferry Dock site on Bainbridge Island, Washington (authorized under Public Law No. 107–363).

As you may know, on March 30, 1942, a little over one month after Executive Order 9066 was signed, 227 men, women and children on Bainbridge Island were herded onto a ferry at the former Eagledale dock to begin their journey to internment camps. This community was the very first group of Japanese Americans in the United States to be forced from their homes to be interned. Only allowed to bring what they could carry or wear, they boarded the ferry "Kehloken" with their friends and neighbors watching, and said goodbye to Bainbridge Island, beginning a lonely journey with an unknown destination and fate.

This tragic episode in is an important part of American history that must be preserved to ensure that the full and rich diversity of our history is represented on the public record. This site is the literal and symbolic starting point for the Minidoka Internment National Monument (ID) and the Manzanar National Historic Site (CA), two internment camps already designated by the National Park Service, and it should be preserved for future generations to learn about the experience of Japanese Americans during the war. Bainbridge Island is a short ferry ride from Seattle and the site would be within easy reach for those discovering or wanting to learn about this period in our nation's history.

The National Park Service has already demonstrated its their commitment to this project by allocating initial funds of $25,000, and while we believe this is an excellent start, the entire study is estimated at $250,000. We would like to urge the committee to fully fund the National Park Service's budget for special resources studies with an addition of $150,000 for the Bainbridge Island study, above and beyond the $500,000 request in the NPS budget.

The Bainbridge Island site is a tremendous opportunity to allow history to come to life outside the confines of a classroom. The story of this community will educate future generations about the courage of Americans—those who suffered sixty years ago by being removed from their homes and those who supported their friends as they left, in their absence and upon their return home.

Continuing the special resources study is essential to tell this American story, and we respectfully urge the committee to fully fund the National Park Service's budget for special resources studies with an addition of $150,000 for the Bainbridge Island site. Thank you for your consideration.

PREPARED STATEMENT OF THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES

The Minnesota Department of Natural Resources strongly supports efforts by Congress to continue the Land and Water Conservation Fund (LWCF) stateside program. We urge the Subcommittee to allocate $200 million to the LWCF stateside program for fiscal year 2004. In addition, we request that you fund the Conservation Trust Fund (CARA Lite) at the dedicated amount of $2.08 billion.

Over the last three years, the reinvigorated LWCF stateside program has helped fund over 50 state and local park and openspace projects across Minnesota. Historically the LWCF projects include state parks and historic sites, trails, wildlife management areas, public water accesses, scientific and natural areas, state forests, and other areas.

A few recent examples of projects that benefited from the LWCF program are:

—Lake Gervais Park, a county park in the suburbs of St. Paul
—Split Rock Lighthouse State Park, a well known landmark on Lake Superior
—Tansem Prairie, a state Scientific and Natural Area in Clay County
—Maple Creek Trail, a nature/walking trail in Owatonna.

These and many other projects were made possible by the availability of the stateside LWCF funds. These funds allow for the:

—Acquisition of critical open space threatened by development
—Renovation of outdated, unsafe facilities
—Protection of high quality natural areas
—Improved accessibility of parks and trails for people of all abilities
—Provision of a wide variety of outdoor recreational opportunities.

For our Spring 2003 grant round, preliminary requests for local park, trail and open space projects in Minnesota alone total over $65 million. In addition to this figure, the backlog of state park and trail acquisition and renovation needs is in the tens of millions. The current LWCF Program is able to meet only a fraction of these needs.

One of our most urgent needs in Minnesota is to protect open space in rapidly developing portions of the state, particularly in counties surrounding the Twin Cities Metropolitan Area. As land prices accelerate, however, local government resources are inadequate to meet these rising needs. For example, one county seeking to acquire lakeshore and a high quality wooded area near the rapidly growing City of St. Cloud requires an initial investment of at least $2 million. While local officials have identified willing sellers, they will be hard-pressed to raise all this money locally, without outside assistance. For many years, the LWCF program has provided such assistance.

State projects would also benefit from LWCF funds. The new Red River State Recreation Area, the scene of massive residential flooding several years ago, has been reclaimed as a state park in East Grand Forks. With the assistance of the LWCF program we anticipate the potential development of a new campground. Another project that could benefit from the LWCF program is expanding our camper cabins in 15 state parks throughout the state. In addition, near the City of Granite Falls, we hope to acquire a native prairie area that is home to threatened plant and animal species.

These projects offer just a few examples of how the stateside LWCF program benefits the citizens of Minnesota. Increasing the LWCF stateside funding level to $200 million in fiscal year 2004 will help us reach our goals. We believe that this funding level is consistent with the commitment made by Congress and the current Administration to the LWCF program.

Thank you for the opportunity to offer these comments.

PREPARED STATEMENT OF THE NATIONAL CONFERENCE OF STATE HISTORIC PRESERVATION OFFICERS

SHPOS.—MAKING PRESERVE AMERICA A REALITY THIS YEAR

[Historic Preservation Fund Fiscal Year 2004]

	Fiscal year 2003	Fiscal year 2004	Fiscal year 2004 budget
State Historic Preservation Offices:			
Core	$33,779,000	$50,000,000	$34,000,000
Expedite project reviews	.....	10,000,000	.....
Local communities' preservation	.....	30,000,000	.....
Tribes	3,000,000	10,000,000	3,000,000
Save America's Treasures	29,805,000	30,000,000	30,000,000
NTHP Hist. Sites Fund	1,987,000	.....	.....
Totals	68,571,000	130,000,000	67,000,000

Preservation is a high priority for this Administration.—On March 3, 2003, the First Lady announced the Preserve America [1] initiative and the President issued Executive Order No. 13287 directing federal agencies to assess, preserve and use the historic resources in their control, particularly for heritage tourism.

Historic Preservation Fund Puts Preserve America into Practice.—The Historic Preservation Fund has for three decades put the Preserve America principles in practice by laying the foundation for the nation's historic preservation program. The fundamentals of historic preservation are finding historic places, nomination of significant places to the National Register, opening the door to localities to participate officially, protecting historic National Conference of State Historic Preservation Officers 2004 Historic Preservation Fund Testimony Interior Appropriations Subcommittee places from inadvertent harm by federal agencies, and supporting private investment in rehabilitation through the rehabilitation tax credit (over $2 billion annually). State Historic Preservation Officers (SHPOs) deliver these programs to the local level on behalf of the Department of the Interior. Preserve America updates historic preservation program launched by the National Historic Preservation Act (16 USC 470) in 1966.

Although the Administration recommended a reduced level of funding for the State Historic Preservation Offices for 2004, it is obvious from his Preserve America initiative that the President strongly supports historic preservation and the kind of federal/State/local partnership program the SHPOs administer. The cornerstone of

[1] All quotes in this testimony come from the First Lady's March 3, 2003, "Preserve America" speech available at the White House website.

the 2003 Preserve America program is cooperation among federal, State and local governments to identify and use cultural resources for economic development, a function SHPOs have been performing since the passage of the National Historic Preservation Act in 1966. We hope the Interior Appropriations Subcommittee will use the 2004 Historic Preservation Fund appropriation to make the SHPO programs full partners in Preserve America.

"Our land is the foundation upon which the American story is written. Our history is rooted in buildings, parks and towns."

Congress: Make Preserve America a 2004 Reality for All Americans.—The National Conference of SHPOs request for fiscal year 2004 will make Preserve America a reality including funding for tribal grants and Save America's Treasures. The purpose of this testimony is to explain the need for a $50,000,000 withdrawal from the Historic Preservation Fund for the core preservation programs run by SHPOs. The First Lady said on March third, "America is blessed with historic architecture, landscapes, and communities, everyone [emphasis added] tells a story. . . . But to prepare for the future, we must remember our history." Before you can tell the story, you have to know the story which means research and study. An increase in core program funding will dramatically increase SHPOs' historic site inventory work, publication of results, and entry of the data on to computerized geographic information systems.

Historic site research brings the past to life. Owners who want recognition for their stories look to the National Register to confirm the significance of their properties. Funding the core program at $50,000,000 will give the SHPOffices the resources to prepare nominations (which low funding has eliminated) and to help and train private citizens volunteering to prepare nominations.

"The second goal of Preserve America is to support community efforts to restore cultural resources for heritage tourism."

Heritage tourism is an important part of economic development for many communities. It relies on the authentic experience. SHPOs' historic site surveys and National Register nominations provide the facts upon which heritage tourism programs are built. $50,000,000 for States' core programs will benefit heritage tourism by expanding the number of heritage sites to visit.

"Preserve America . . . will provide . . . greater support to protect and restore our nation's cultural . . . from monuments and buildings to landscapes and main streets."

Preserve America Involves Protection.—Protection is an important part of historic preservation. State Historic Preservation Offices protect historic places in several ways. First, recognition and common knowledge about historic places helps the public support preservation. Second, the SHPOs operate a volunteer program for local governments who decide to enact local ordinances and operate historic preservation programs. Core program funding at $50,000,000 will automatically increase the pass-through to local government partners from $3.4 million to $5 million. Third, SHPOs review every federal project proposed in their State—that's a national total of 100,000 projects annually. SHPOs work with federal agencies and applicants to minimize adverse impacts on historic places. Protecting properties is a high priority for SHPOs. While cuts in the HPF have reduced or eliminated activity in other program areas, SHPOs have (until recent federal and state cuts) maintained protection activities. Every preservationist in America, relies on the SHPOs' work reviewing federal projects and persuading agencies to modify the scope to protect historic places when needed."The President wants to continue his support and the preservation of our heritage through Preserve America. Today, President Bush signed an Executive Order . . . [which] directs federal agencies to inventory and promote greater use of historic sites in partnership with state, tribal, and local governments. Preserve America will provide more opportunities for preservation and increase tourism and economic development."

North Carolina response times	Fiscal year	
	2001	2002
At a HPF Allocation of	$897,000	$747,000
To help developers using historic tax credit	30 days	60 days
On National Register nominations	3 months	7 months
to local governments seeking information	3 days	3 weeks

Historic Preservation Fund Decisions Adversely Affect the Private Sector.—There are consequences when the Historic Preservation Fund is cut. Discretionary programs get cut first. As cuts go deeper, non-discretionary programs get cut too which

means reductions in force. These cuts cost time and money to everyone who uses SHPO services. The impacts fall hardest on private business and federal projects. Reducing the resources to SHPOs has the same effect as narrowing the neck of a funnel—the flow is constrained. As an example, Wyoming's average response time for individual federal projects increased from 12 days in fiscal year 2001 to 18 days in fiscal year 2002 following the decline in their allocation from $680,000 to $569,000.

These increases in response time affect applicants who need SHPO comments. Applicants for an oil and gas lease or for an Army Corps permit and developers borrowing money to invest in a historic rehabilitation project face increased carrying costs because of extended response times.

The National Conference of SHPOs proposes a special $10,000,000 withdrawal from the Historic Preservation Fund to focus exclusively on upgrading historic site surveys, inventory information and geographic information systems in areas of high potential for development and future federal agency activity. Historic preservation needs to stop being an obstacle to project planning and to streamline and expedite project reviews.

Preserve America Through Private Investment and Economic Development.—America has seen a decade of private investment in historic preservation at a level of $2 billion a year. Investors have seen the potential in America's underused historic resources for productive, modern uses. The rehabilitation investment tax credit has provided the incentive for this voluntary commitment to America's historic downtowns and neighborhoods. State Historic Preservation Offices are the delivery system for developers and owners. Increasing the core funding for SHPOs to $50,000,000 will provide the resources for the time consuming, pre-construction technical assistance to advise on historic preservation alternatives. Equally important, an increase in core programs to $50,000,000 will provide resources to expedite National Register nomination processing. (National Register listing is a requirement for rehab tax credit eligibility.)

"Preserve America will promote historic and cultural preservation and encourage greater public appreciation of our national treasures."

"Help Americans Volunteer for Preservation."—Core funding of $50,000,000 for the State Historic Preservation Offices will mean a return of preservation education programs to help volunteers prepare National Register nominations, work toward local preservation ordinances, and prepare for heritage tourism. Further beneficiaries of public education will include federal agencies working to fulfill the mandates of the President's Executive Order 13278 whose offices are closer to a State capitol than to Washington.

Preserve America and Preserving America's Beloved Landmarks.—The First Lady said, "Many of our historic sites and monuments are deteriorating and need to be preserved." That is why the National Conference of SHPOs is proposing a special grant program to flow through the SHPOs to localities to provide matching, restoration grants for the landmarks that have meaning to ordinary American's. Montana's Treasure State Treasures Survey will identify what Montanans what they value from the past. While the companion Save America's Treasures is reserved for an elite category of properties that people in Washington see as nationally significant, the $30,000,000 for local landmarks will be dedicated to the places that everyday Americans value.

Preserve America: , ". . . what will we pass down to our children—what will their heritage be?"—SHPOs want to work with Congress and the First Lady to Preserve America.

PREPARED STATEMENT OF THE NATIONAL PARKS CONSERVATION ASSOCIATION

The National Parks Conservation Association (NPCA) is the only national, nonprofit conservation organization that advocates exclusively for the national parks. Through public education, advocacy, and citizen outreach, NPCA works to protect, preserve, and enhance America's National Park System for present and future generations.

NPCA is pleased to share its views regarding the programs in the Department of Interior's budget that affect national park resources and requests that this statement be included in the hearing record for the fiscal year 2004 Interior and Related Agencies appropriations bill. We appreciate the opportunity to share with you our priorities for funding and respectfully request the Committee consider these views as the fiscal year 2004 budget is shaped.

NATIONAL PARK SERVICE OPERATIONS

A top priority for NPCA in the budget of the National Park Service is to significantly increase funding for the operations of the Park Service. NPCA requests an increase of $178 million over the current fiscal year 2003 spending levels, $102 million above the president's request, for a total of $1,633,351,000 in fiscal year 2004 for the operation of the National Park System.

NPCA greatly appreciates your leadership and commitment to our national parks, demonstrated in the increase of $98 million that the Committee provided for park operations in the fiscal year 2003 Interior appropriations process. As you know, this funding increase was unfortunately significantly reduced in the final 2003 omnibus appropriations act.

As you know, park operational funding continues to lag behind the need. This situation is further aggravated by homeland security needs, which have put increased pressure on park budgets and staffing. For example, many park rangers have been reassigned to security detail at icon and border parks, leaving their visitor interpretation and resource protection duties unmet. In addition, National Park Service Director Fran Mainella recently stated that added security expenditures since the Code Orange alert are anticipated to cost the national parks an additional $23 million annually.

While Congress has regularly increased the operating budget of the parks, research in more than 50 parks has shown that funding fails to keep pace with need. On average, the national parks are operating with only two-thirds of the needed funding—an annual shortfall of more than $600 million system-wide. An increase of $178 million in the national parks' operating budget this year represents a reasonable and manageable amount, and a critical step toward fulfilling the mission of the Park Service and protecting our national heritage.

Just last month, Director Mainella testified to the House Interior Appropriations Subcommittee that, "support of park operations is integral to fulfilling the mission of the National Park Service." As caretaker of some of our nation's most valued natural, cultural, and historic resources, the Park Service has a tremendous responsibility, managing 388 sites nationwide.

NPS NATURAL RESOURCES CHALLENGE

NPCA strongly supports the National Park Service's Natural Resources Challenge(a successful multi-year program to preserve and protect the natural resources of the national parks. We request an increase of $20 million above enacted fiscal year 2003 level, $11.5 million above the administration's request for this important program.

NATIONAL PARK SERVICE HISTORIC PRESERVATION

Frederick Douglass National Historical Site, Washington, D.C.—$2 million in fiscal year 2004 for historic preservation of this important home. Mr. Douglass' historic 1850s home in Anacostia is in need of immediate repair. The National Park Service lacks critical funding and staff to meet day-to-day needs and to protect Mr. Douglass' personal belongings and the integrity of the property. For example, $550,000 is needed to restore light-damaged photographs from the 19th century and to restore Mr. Douglass' treasured library collection. The site also needs funding to complete a Landscape Maintenance Plan and to hire archaeological expertise to inventory and protect the park's cultural and archaeological resources.

NATIONAL PARK SERVICE LAND ACQUISITION

Big Thicket National Preserve, Texas.—$10 million in fiscal year 2004, $6.6 million above the administration's request, to complete acquisition of land previously owned by timber companies within the 1994 boundary expansion. Big Thicket National Preserve, often called the "biological crossroads of North America," contains a unique mix of southeastern swamps, eastern deciduous forest, central plains, pine savannas, and dry sandhills. This acquisition is critical to protecting this unique area.

Cedar Creek & Belle Grove National Historical Park, Virginia.—$2 million in fiscal year 2004 to acquire land from willing sellers in this model partnership park dedicated in January 2003. Private landowners have expressed an interest in the National Park Service acquiring land in Cedar Creek & Belle Grove. $2 million is a reasonable amount to provide the Park Service a foundation for moving forward with serious discussions.

Everglades Restoration, Florida.—$20 million in fiscal year 2004 to provide assistance to the State of Florida in purchasing lands needed to restore the Everglades.

The Comprehensive Everglades Restoration Plan (CERP) requires that more than 200,000 acres of land be purchased for water storage, flow and treatment. With the rising cost of real estate and increasing pressure to develop land in South Florida, it is critical that land acquisition remain on track.

Fort Clatsop National Memorial, Oregon.—$8 million in fiscal year 2004 to purchase from willing sellers a portion of the 1,500-acre expansion of the memorial. President Bush signed the Fort Clatsop National Memorial Expansion Act into law on August 21, 2002, authorizing the expansion. Acquiring this land is important step in preparation for the Lewis and Clark Bicentennial event to culminate at Fort Clatsop in November 2005. The Clatsop County Board of Commissioners and Governor of Oregon support this acquisition.

Mojave National Preserve, California.—$2 million in fiscal year 2004 to complete purchase of approximately 4,000–6,000 acres of the nearly 150,000 acres of privately held lands in the Preserve. We appreciate the $1 million provided by the Committee in fiscal year 2003. $2 million in additional funds are needed in fiscal year 2004 to continue the purchase of sensitive lands within the boundary of the Mojave Preserve.

Tumacacori National Historical Park, Arizona.—$3 million in fiscal year 2004 to acquire 310 acres. The Tumacacori National Historical Park Boundary Revision Act of 2001, signed into law by President Bush on August 21, 2002, expanded the boundaries of the park to protect portions of the original mission, historic orchards, and ancient irrigation systems that are extremely vulnerable to subdivision development.

Obed Wild and Scenic River, Tennessee.—$1.5 million in fiscal year 2004 to acquire approximately 1,000 acres of inholdings within the Obed Wild and Scenic River corridor in Tennessee. We appreciate the Committee including this request in the fiscal year 2003 House bill, which was not, as you know, included in the final conference. The Obed is one of the few free-flowing streams of its type remaining in the entire six-state Cumberlands region, and is the only National Wild and Scenic River in Tennessee.

Petrified Forest National Park, Arizona.—$5 million in fiscal year 2004 as a down payment to complete the purchase of private lands next to the park from willing sellers. The Arizona delegation is expected to introduce legislation this year to expand the boundaries of Petrified National Forest. A significant portion of lands within the proposed expansion area currently are in private or state ownership. Acquiring this land of nationally significant paleontological, archaeological, and scenic resources is important to their long-term protection.

Valley Forge National Historical Park, Pennsylvania.—$10 million in fiscal year 2004, $5 million above the president's request. Of this amount, $6 million for acquisition of the Toll Brothers tract, and $4 million for additional acquisition, potentially approximately 100 acres owned by St. Gabriel's School for Boys. Valley Forge preserves the history of the American Revolution through 190 historic structures and more than 600 archaeological sites, various wetlands, grasslands, woodlands, and wildlife, including more than 200 species of birds and several state-listed rare plants.

NATIONAL PARK SERVICE CONSTRUCTION

Denali National Park, Alaska.—$750,000 in fiscal year 2004 to complete environmental reviews and compliance with all design and permitting requirements for the South Denali Nature Center. This funding was provided in the Senate fiscal year 2003 bill, but unfortunately, was not included in Conference. This funding will help to alleviate visitor pressure on the existing park infrastructure and to provide a new opportunity for visitors on the south side of Denali National Park. The State of Alaska and the Park Service are working cooperatively on a South Denali Nature Center to be sited in Denali State Park, near the border of the national park. The Nature Center will focus visitor attention to the alpine environment through interpretive programs and a trail system.

NATIONAL PARK SERVICE—OTHER

Everglades Modified Waters Deliveries Project.—$15 million in fiscal year 2004 for the Modified Waters Deliveries Project, an important Everglades restoration project launched prior to CERP. This project would return critical sheetflows of water to Everglades National Park. $30 million over the next two years is needed to complete this project, so we recommend $15 million this year.

Everglades Restoration Plan Funding.—$10 million in fiscal year 2004 for the Department of Interior's Comprehensive Everglades Restoration Plan (CERP) funding.

This important funding will enable the Park Service and other Interior agencies to carry out critical Everglades restoration projects.

Everglades Science Funding.—$6 million in fiscal year 2004 for the Critical Ecosystem Studies Initiative (CESI), the Department of Interior's research program designed to help guide Everglades restoration planning and project designs. A December 2002 report of the National Research Council of the National Academies of Science found that $4 million is insufficient to allow CESI to meet pressing science needs of the restoration program.

National Park Service Soundscape Program Office.—$6 million in fiscal year 2004 to hire contractors for research and development of air tour management plans in national parks. The National Park Air Tour Management Act of 2000 directed the Park Service to cooperate with the FAA on the development of air tour management plans in parks. While originally the Park Service and FAA anticipated that air tour operators would wish to fly over 55 parks, they have received applications for flights over more than 102 park units and require $6 million in fiscal year 2004 to meet its mandate on air tour management plan development.

Tribal Historic Preservation Officers.—$11 million in fiscal year 2004 through the Historic Preservation Fund to stabilize funding for all Tribal Historic Preservation Officers (THPOs) and to accommodate new THPOs at a base level funding of $275,000 per Tribe. Increased THPO funding will enable Tribes to achieve more timely compliance with federal, states, and tribal historic preservation laws. The THPO program represents a successful partnership; tribes match federal THPO dollars at least 3 to 1. Examples of partnerships include the Navajo National Historic Preservation Department working with the Park Service at Chaco Culture National Historic Site and at Canyon de Chelly National Park.

PREPARED STATEMENT OF THE PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM

Mr. Chairman and members of the subcommittee: The Partnership for the National Trails System appreciates your support over the past several years, through operations funding and earmarked Challenge Cost Share funds, for the national scenic and historic trails administered by the National Park Service. We also appreciate your increased allocation of funds to support the trails administered and managed by the Forest Service and your support for the trails in the Bureau of Land Management's National Landscape Conservation System. To continue the progress that you have fostered, the Partnership requests that you provide annual operations funding for each of the 23 national scenic and historic trails for Fiscal year 2004 through these appropriations:

—*National Park Service*.—$10.965 million for the administration of 18 trails and for coordination of the long-distance trails program by the Washington Park Service office.

—*USDA Forest Service*.—$3.07 million to administer four trails and $750,000 for portions of 13 trails managed through agreements with the Park Service and Bureau of Land Management; Construction: $1 million for the Continental Divide Trail, $500,000 for the Florida Trail and $865,000 for the Pacific Crest Trail.

—*Bureau of Land Management*.—To administer the Iditarod National Historic Trail: $410,000, the Camino Real de Tierra Adentro National Historic Trail: $380,000, the Old Spanish National Historic Trail: $100,00 and $2.78 million to manage portions of 9 trails administered by the Park Service or the Forest Service; $385,000 for the Iditarod Trail interpretive center feasibility study.

—We ask that you appropriate $9 million for the National Park Service Challenge Cost Share Program and continue to earmark $5 million for Lewis & Clark Bicentennial projects and one-third of the remaining $4 million (approximately $1,326,000) for the other 17 national scenic and historic trails it administers.

—We ask that you appropriate $1.253 million to the National Park Service National Center for Recreation and Conservation to support the second year of an interagency pilot project to develop a consistent system-wide Geographic Information System (GIS) for the National Trails System.

We ask that you appropriate from the Land and Water Conservation Fund:

—*To the Forest Service*.—$5 million to acquire land for the Pacific Crest Trail, $5 million to acquire land for the Florida Trail, $3 million to acquire land for the Appalachian Trail in Georgia, Tennessee and Virginia;

—*To the Bureau of Land Management*.—$1 million to acquire land for the Pacific Crest Trail, $2 million to acquire land for the Oregon Trail in Oregon, $500,000 to acquire land for the Juan Bautista de Anza Trail in Arizona;

—*To the Park Service*.—$4 million to grant to the State of Wisconsin to match state funds to acquire land for the Ice Age Trail; $1.5 million to grant to the States of Wisconsin, Michigan and Ohio to match state funds to acquire land for the North Country Trail.

NATIONAL PARK SERVICE

We request $1.253 million to fund the second year of a 5 year interagency effort to develop a consistent GIS for all 23 national scenic and historic trails. This initiative is described in the August 2001 report (requested by Congress in the fiscal year 2001 appropriation) "GIS For The National Trails System" and is built upon work already underway on the Ice Age, Appalachian, Florida, Oregon, California, Mormon Pioneer and Pony Express Trails to develop consistent information and procedures that can be applied across the National Trails System. The requested funding will be shared with the Bureau of Land Management and the Forest Service.

The $10.965 million we request for Park Service operations includes increases for many of the trails to continue the progress and new initiatives made possible by the $975,000 funding increase provided for nine of the trails in fiscal year 2001. $124,000 of our requested increase will finally provide significant operational support for the Natchez Trace Trail, which currently receives only $26,000 in annual operations funding. Another $381,000 will enable the Park Service to begin managing the three new national historic trails—Ala Kahakai, El Camino Real de Tierra Adentro, and Old Spanish—the latter two administered collaboratively with the Bureau of Land Management. These funds will provide full-time management and support projects for each of these trails.

We request an increase of $51,000 for the Overmountain Victory Trail to enable the Overmountain Victory Trail Association to continue and expand the first comprehensive survey of historically significant sites along the trail and plan for their preservation. An increase of $52,000 will fund interpretive projects and the trail corridor study along the Potomac Heritage Trail in Washington, D.C.

We request an increase of $316,000 to continue and expand Park Service efforts to protect cultural landscapes at more than 200 significant sites along the Santa Fe Trail and to fund public outreach and educational programs of the Santa Fe Trail Association. We also request an increase of $111,000 to expand cooperative interpretation with schools and Latino communities along the Juan Bautista de Anza Trail. An increase of $251,000 for the Trail of Tears will enable the Park Service to work cooperatively with the Trail of Tears Association to protect the Trail's critical historical and cultural heritage sites and interpret them for visitors.

The $402,000 increase we request for the interagency Salt Lake City Trails office will enable the Park Service to work with CALTRANS to mark the California and Pony Express Trails auto routes and to develop interpretive plans for wayside exhibits for these trails and the Oregon and Mormon Pioneer Trails.

We request $2 million to fund the operation of "Corps II," a major component of the Federal government's commemoration of the Bicentennial of the Lewis & Clark Expedition. This interagency mobile interpretive exhibit is designed to follow the route of the Lewis & Clark Trail, stopping in communities along the way to provide state-of-the art, interactive interpretation of the Lewis & Clark "Corps of Discovery."

All of these trails are complicated undertakings, none more so than the 4,000 mile North Country Trail. With more than 650 miles of Trail across 7 national forests in 5 states there is good reason for close collaboration between the Park Service and Forest Service to ensure consistent management that provides high quality experiences for hikers. Limited budgets for both agencies have severely hampered their ability to practice this effective management procedure. The $840,000 we request will give them that ability for the first time while also providing greater support for the local trail building and management led by the North Country Trail Association, hastening the day when our nation's longest national scenic trail will be fully opened for use.

The $1,001,000 we request will enable the Park Service to expand the Geographic Information System (GIS) capability to more efficiently plan resource protection, trail construction and maintenance to correct unsafe conditions and better mark the 1,200 mile Ice Age Trail for users. The funds will also provide assistance to the Ice Age Park & Trail Foundation to better equip, train and support the volunteers who build and maintain the Ice Age Trail and manage its resources. Some of the funds will be used to develop an interpretive plan for the Trail.

The Challenge Cost Share program is one of the most effective and efficient ways for Federal agencies to accomplish a wide array of projects for public benefit while also sustaining partnerships involving countless private citizens in doing public

service work. The Partnership requests that you appropriate $8.98 million in Challenge Cost Share funding to the Park Service for fiscal year 2004 as a wise investment of public money that will generate public benefits many times greater than its sum. We ask you to continue to direct $5 million for Lewis & Clark Bicentennial projects and one-third of the other $3.98 million for the national scenic and historic trails to continue the steady progress toward making these trails fully available for public enjoyment.

USDA—FOREST SERVICE

As you have done for several years, we ask that you provide additional operations funding to the Forest Service for administering three national scenic trails and one national historic trail, and managing parts of 13 other trails. We ask you to appropriate $3.07 million as a separate budgetary item specifically for the Continental Divide, Florida and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail. Full-time managers have been assigned for each of these trails by the Forest Service. Recognizing the on-the-ground management responsibility the Forest Service has for 838 miles of the Appalachian Trail, more than 650 miles of the North Country Trail, and sections of the Ice Age, Anza, Lewis & Clark, California, Iditarod, Mormon Pioneer, Oregon, Overmountain Victory, Pony Express, Trail of Tears and Santa Fe Trails, we ask you to appropriate $750,000 specifically for these trails.

Work is underway, supported by funds you provided for the past four years, to close several major gaps in the Florida National Scenic Trail. The Florida Trail Association is building Trail across Eglin Air Force Base, in the Ocala National Forest, Big Cypress National Preserve and along Lake Kissimmee and the Choctawahatchee River, adding about 100 miles to the completed Florida Trail. The Partnership requests an additional $500,000 for trail construction in fiscal year 2004 by the Forest Service on these and other segments of the Florida Trail.

The Continental Divide Trail Alliance, with Forest Service assistance and funding from the outdoor recreation industry, surveyed the entire 3,200 mile route of the Continental Divide Trail documenting $10.3 million of construction projects needed to complete the Trail. To continue new trail construction, begun with fiscal year 1998 funding, we ask that you appropriate $1,050,000 to plan 383 miles of new trail and $1 million to build or reconstruct 114 miles of the Continental Divide Trail and 7 new trailheads in fiscal year 2004.

A Forest Service lands team is working with the Pacific Crest Trail Association and the Park Service National Trail Land Resources Program Center to map and acquire better routes for the 300 miles of the 2,650 mile Pacific Crest Trail located on 227 narrow easements across private land or on the edge of dangerous highways. We request $200,000 to continue the work of the fulltime Trail Manager and the lands team and $100,000 for Optimal Location route planning. We also request $865,000 for new trail construction and reconstruction of fire-damaged bridges along the PCT by the Forest Service and the Pacific Crest Trail Association in fiscal year 2004.

BUREAU OF LAND MANAGEMENT

While the Bureau of Land Management has administrative authority only for the Iditarod, El Camino Real de Tierra Adentro, and the Old Spanish National Historic Trails, it has on-the-ground management responsibility for 641 miles of two scenic trails and 3,115 miles of seven historic trails administered by the National Park Service and U.S. Forest Service. The significance of these trails was recognized by their inclusion in the National Landscape Conservation System and, for the first time, in fiscal year 2002, by provision of specific funding for each of them. The Partnership applauds the decision of the Bureau of Land Management to include the national scenic and historic trails in the NLCS and to budget specific funding for each of them. We ask that you continue to support the funding for the National Landscape Conservation System and that you appropriate for fiscal year 2004 $410,000 for the Iditarod National Historic Trail, $380,000 for El Camino Real de Tierra Adentro National Historic Trail, $100,000 for the Old Spanish National Historic Trail and $2,780,000, as requested by the Administration, for management of the portions of the nine other trails under the care of the Bureau of Land Management. We also request $1 million for construction of the California Trail Interpretive Center in Elko, Nevada, $100,000 for maintenance of the Pacific Crest Trail, and $385,000 for a feasibility study for the Iditarod Trail interpretive center.

LAND AND WATER CONSERVATION FUND

The Partnership requests that you fully appropriate the $900 million annual authorized appropriation from the Land and Water Conservation Fund and that you make the specific appropriations for national scenic and historic trails detailed at the beginning of this statement and in Attachment #2. The funding we request for the Florida and Pacific Crest National Scenic Trails will continue acquisition underway by the Forest Service. The first tracts to help close gaps in the Florida Trail have been acquired with LWCF money provided in previous years. Necessary Optimal Location Planning and appraisal work have been completed and acquisition has begun in earnest along the Pacific Crest Trail. The requested funding for the Appalachian National Scenic Trail will help complete its protection in Tennessee, Georgia, and Virginia.

The $2,500,000 requested for the Bureau of Land Management will help protect important cultural resources along the Juan Bautista de Anza National Historic Trail in Arizona and along the Oregon National Historic Trail in Oregon.

The National Trails System Act encourages states to assist in the conservation of the resources and development of the national scenic and historic trails. Wisconsin has committed more than $10 million to help conserve the resources of the Ice Age National Scenic Trail. With fiscal year 2000–2002 LWCF funding, matched more than 2:1 by State funds, Wisconsin has purchased 12 parcels and now has another 12 parcels under appraisal or option to purchase. The requested $4 Million Land and Water Conservation Fund grant to Wisconsin will continue this very successful Federal/State partnership for protecting land for the Ice Age Trail.

The essential funding requests to support the trails are detailed in Attachment #2.

PRIVATE SECTOR SUPPORT FOR THE NATIONAL TRAILS SYSTEM

Public-spirited partnerships between private citizens and public agencies have been a hallmark of the National Trails System since its inception. These partnerships create the enduring strength of the Trails System and the trail communities that sustain it by combining the local, grass-roots energy and responsiveness of volunteers with the responsible continuity of public agencies. They also provide a way to enlist private financial support for public projects, usually resulting in a greater than equal match of funds.

The private trail organizations commitment to the success of these trail-sustaining partnerships grows even as Congress' support for the trails has grown. In 2002 the trail organizations channeled 662,429 hours of documented volunteer labor valued at $10,631,985 to help sustain the national scenic and historic trails. This is a 6.5 percent increase over the volunteer labor reported for 2001. The organizations also applied private sector contributions of $6,850,214 to benefit the trails. These contributions are documented in Attachment #1.

ATTACHMENT 1.—CONTRIBUTIONS MADE IN 2002 TO SUPPORT THE NATIONAL TRAILS SYSTEM BY NATIONAL SCENIC AND HISTORIC TRAIL ORGANIZATIONS

Organization	Volunteer hours	Estimated value of volunteer labor	Financial contributions
Appalachian Trail Conference	184,216	$2,956,667	$4,100,000
Continental Divide Trail Society	[1] 1,500	24,075	.....
Continental Divide Trail Alliance	22,256	357,209	319,242
Florida Trail Association	53,540	857,712	159,000
Ice Age Park & Trail Foundation	73,440	1,178,712	550,705
Iditarod National Historic Trail, Inc.	[1] 17,900	287,295	[1] 75,000
Heritage Trails/Amigos De Anza	422	6,773	.....
Anza Trail Coalition of Arizona	3,068	49,241	.....
Lewis & Clark Trail Heritage Foundation	[1] 40,000	642,000	313,395
Mormon Trails Association	7,956	127,694	[1] 20,068
Iowa Mormon Trails Association	[1] 750	12,038	[1] 1,000
Nebraska Mormon Trails Association	203	3,258	1,022
Natchez Trace Trail Conference	2,062	33,095	.....
National Pony Express Association	33,168	532,346	215,472
Pony Express Trail Association	3,444	55,276	51,140
Nez Perce Trail Foundation	1,457	23,385	5,244
North Country Trail Association	5,986	577,575	195,413
Old Spanish Trail Association	5,697	91,726	23,222

ATTACHMENT 1.—CONTRIBUTIONS MADE IN 2002 TO SUPPORT THE NATIONAL TRAILS SYSTEM BY NATIONAL SCENIC AND HISTORIC TRAIL ORGANIZATIONS—Continued

Organization	Volunteer hours	Estimated value of volunteer labor	Financial contributions
Oregon-California Trails Association	72,725	1,167,236	264,553
Overmountain Victory Trail Association	6,005	96,380	29,138
Pacific Crest Trail Association	44,100	707,805	395,600
Potomac Trail Council	[1] 4,800	77,040	1,700
Santa Fe Trail Association	[1] 19,000	304,950	69,000
Trail of Tears Association	28,816	462,497	60,300
Totals	662,429	10,631,985	6,850,214

[1] Estimate.

ATTACHMENT 2.—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM REQUESTED FISCAL YEAR 2004 APPROPRIATIONS FOR THE NATIONAL TRAILS SYSTEM

Agency/Trail	Fiscal year 2003 congressional appropriation	Fiscal year 2004 administration request	Fiscal year 2004 partners request	Project/programs possible with increased funding
PARK SERVICE				
Ala Kahakai	$181,000	$181,000	$181,000	Begin preparation of Comprehensive Management Plan for new trail;
Appalachian	1,041,000	1,044,000	1,044,000	Operations of NPS A.T. Park Office; $300,000 of the total supports volunteer-based trail maintenance and construction and land and resource management guided by ATC;
Natchez Trace	26,000	26,000	150,000	Planning & building new trail & bridges; backlog maintenance with NTTC & SCA;
El Camino Real	.....	.....	100,000	Begin collaborative management of new trail with Bureau of Land Management;
California	200,000	200,000	351,000	Interpret more auto tour routes with CALTRANS; Enhance Four Trails GIS database;
Ice Age	498,000	501,000	1,001,000	Trail corridor planning; Coordinate land acquisition by agency partners and Trail maintenance and resource management by IAP&TF; Develop Trail interpretive plan;
Juan Bautista de Anza	189,000	189,000	300,000	Coordination of Trail site protection, interpretation & development projects with local agencies & organizations; Outreach to schools and Latino communities;
Lewis & Clark	1,707,000	1,712,000	3,734,000	Planning, coordination & support for local Bicentennial projects and "Corps II";
Mormon Pioneer	127,000	127,000	128,000	Enhance Four Trails GIS database; Interpret additional auto tour routes;
North Country	547,000	547,000	840,000	Advance Trail construction, Trail route protection and support for volunteers and partners through regional trail centers, greater technical assistance and route planning;
Old Spanish	.....	.....	100,000	Collaborative administration with Bureau of Land Management;
Oregon	215,000	216,000	366,000	Update and upgrade Four Trails GIS database and mapping;
Overmountain Victory	135,000	135,000	186,000	New route signs & interpretive exhibits; mapping Trail sites for protection inventory, and archaeology in Cherokee County, North Carolina;
Pony Express	180,000	181,000	281,000	Develop Interpretive Plan for wayside exhibits for Pony Express and California trails;
Potomac Heritage	198,000	198,000	250,000	Assistance to local agencies & organizations for planning & educational projects;
Santa Fe	[1] 596,000	[1] 603,000	919,000	Cultural resource preservation, design & distribute interpretive media with partners;
Selma to Montgomery	260,000	261,000	261,000	Comprehensive management plan developed and trail interpretation begun in collaboration with citizen support organizations & local agencies;
Trail of Tears	247,000	247,000	498,000	Preserve & interpret critical Trail sites & provide new visitor facilities with TOTA;
NTS-Washington Office	217,000	218,000	275,000	Program coordination and special projects funding.
National Trails System	6,594,000	6,605,000	10,965,000	Total National Trails System operations funding.
Challenge Cost Share	[2] 6,980,000	[3] 8,980,000	8,980,000	$5 M for Lewis & Clark; one-third of remaining $3.98 M for rest of National Trails System;
Interagency GIS Project	[4] 1,000,000	.....	[5] 1,253,000	Development of GIS for National Trails;

ATTACHMENT 2.—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM REQUESTED FISCAL YEAR 2004 APPROPRIATIONS FOR THE NATIONAL TRAILS SYSTEM—Continued

Agency/Trail	Fiscal year 2003 congressional appropriation	Fiscal year 2004 administration request	Fiscal year 2004 partners request	Project/programs possible with increased funding
BLM				
Iditarod Trail	330,000	160,000	410,000	Coordination and support for collaborative management with other Federal agencies, Iditarod Trail organizations and State of Alaska; bridges and cabins;
El Camino Real	330,000	380,000	380,000	Collaborative administration and management with National Park Service;
Old Spanish	.....	100,000	100,000	Collaborative administration and management with National Park Service;
Continental Divide	117,000	117,000	117,000	Marking 230 miles of CDT in Wyoming; Interagency management collaboration;
Pacific Crest	190,000	90,000	90,000	PCT maintenance in California; Interagency management collaboration;
Juan Bautista de Anza	80,000	80,000	80,000	Interpretive exhibits for Anza Trail at Painted Rock, Arizona;
California	136,000	151,000	151,000	California Trail resource inventories in Wyoming and California;
Lewis & Clark	1,642,000	1,937,000	1,937,000	Lewis & Clark Bicentennial preparations in Idaho and Montana;
Mormon Pioneer	94,000	94,000	94,000	
Nez Perce	33,000	33,000	33,000	Lewis & Clark Bicentennial preparations in Idaho and Montana;
Oregon	124,000	184,000	184,000	Interagency management collaboration;
Pony Express	70,000	95,000	95,000	Archaeology at Little Sandy and Dry Sandy Pony Express Stations, Wyoming and marking 120 miles of Pony Express Trail in Nevada;
National Trails System	3,146,000	3,421,000	3,671,000	Total National Trails System operations funding.
Iditarod Trail	.....	.....	385,000	Feasibility study for Iditarod Trail Interpretive/visitor Center;
El Camino Real	172,000	.....	.....	Developing Comprehensive Management Plan with Park Service;
Construction of:				
California Trail Interpretive Center—NV	1,000,000	.....	1,000,000	Continued funding for construction of California National Historic Trail interpretive center in Elko, Nevada;
Pacific Crest Trail	100,000	.....	100,000	Annual maintenance of sections of the Pacific Crest Trail on BLM land.

FOREST SERVICE				
Continental Divide	655,000	.....	1,350,000	Continued support for full administrative responsibility and leadership for consistent interagency collaboration for each trail; support for consistent management with trail organization and local agency partners; trail brochures, signs, project planning etc.; Also $1,050,140 to plan 383 new miles of CDT; $200,000 to support work of full-time Trail administrator and $100,000 for Optimal Location Planning for PCT and $70,000 to increase Trail maintenance by volunteers coordinated by PCTA; $750,000 to continue collaborative work with Florida Trail Association to inventory 500 miles of the Florida Trail and continue development of Trail GIS;
Florida	556,000	.....	750,000	
Pacific Crest	735,000	.....	620,000	
Nez Perce Trails	536,000	.....	350,000	
Total	[6] 2,482,000	1,000,000	3,070,000	
Appalachian, North Country, Ice Age, Iditarod , California, Juan Bautista de Anza, Lewis & Clark, Oregon, Mormon Pioneer, Overmountain Victory, Pony Express, Santa Fe, Trail of Tears.	746,000	350,000	750,000	Improved trail maintenance, marking, interpretation, archaeological studies, historic site protection and trailhead facilities for trail segments in National Forests; $200,000 to address deferred maintenance, make improvements and provide liaison for collaborative management of the North Country Trail with National Park Service;
Continental Divide Trail	994,000	.....	1,000,000	Trail construction projects along the Continental Divide Trail: 90 miles of new trail, 24 miles of trail reconstruction and 7 new Trailheads;
Florida Trail	497,000	.....	500,000	Trail construction projects in Eglin Air Force Base, Ocala National Forest, Big Cypress National Preserve and along the Choctawahatchee River;
Pacific Crest Trail	.....	.....	865,000	Trail construction projects along the Pacific Crest Trail, including reconstruction of fire and storm damaged bridges and structures in California and Washington; Fabrication and installation of roadside interpretive signs at Trail highway crossings;
National Trails System	4,719,000	1,350,000	6,185,000	Total: National Trails System funding.
Nat. Forest System Trail Maintenance	36,664,000	.....	.....	Trail maintenance throughout the National Forest System.
Nat. Forest System Trail Construction	33,015,000	.....	.....	New trail construction and trail re-construction throughout the National Forest System.
Nat. Forest System Capital Improvement & Maintenance—Trails.	69,679,000	.....	100,000,000	Trail maintenance and new trail construction throughout the National Forest System.
LWCF FOR TRAILS				
LWCF grant—FS Pacific Crest	3,000,000	.....	5,000,000	USDA-Forest Service acquisition of lands in southern California, Oregon and southern Washington to preserve the scenic integrity of the Pacific Crest Trail.
LWCF grant—FS Florida	3,000,000	.....	5,000,000	USDA-Forest Service acquisition of lands to protect 62 miles of threatened Florida Trail corridor and connect trail segments across private land between National Forests, St. Marks Wildlife Refuge & Eglin Air Base and in central Florida.

ATTACHMENT 2.—PARTNERSHIP FOR THE NATIONAL TRAILS SYSTEM REQUESTED FISCAL YEAR 2004 APPROPRIATIONS FOR THE NATIONAL TRAILS SYSTEM—Continued

Agency/Trail	Fiscal year 2003 congressional appropriation	Fiscal year 2004 administration request	Fiscal year 2004 partners request	Project/programs possible with increased funding
LWCF grant—FS Appalachian	7,600,000		8,300,000	The total supports three USDA-Forest Service acquisition projects in the Georgia Mountains, Tennessee Mountains, and Virginia Mountains. Of that total, about $3 million would acquire Appalachian Trail-related tracts; the balance would acquire other significant inholdings within the affected forests.
LWCF grant Ice Age—Wisconsin [7]	2,000,000		4,000,000	Assistance provided to State of Wisconsin to protect threatened Ice Age Trail corridor and connect trail segments across private land in Dane, Chippewa, Columbia, Marathon, Polk, Portage, Walworth, Washington, Waupaca and Waushara Counties. NPS will purchase one interpretive site for the Ice Age Trail.
LWCF grant—NPS North Country—WI, MI [8]			1,500,000	Assistance provided to States of Wisconsin, Michigan and Ohio to acquire critical links in the North Country Trail;
LWCF grant—BLM Pacific Crest			1,000,000	BLM acquisition of land along the Pacific Crest Trail in California.
LWCF grant—BLM Oregon		2,000,000	2,000,000	BLM acquisition of land along the Sandy River and the Snake River Rim in Oregon.
LWCF grant—BLM Juan Bautista de Anza	800,000	500,000	500,000	BLM acquisition of land at Sears Point Area of Critical Concern along the Juan Bautista de Anza Trail in Arizona.
Total	16,400,000	2,500,000	27,300,000	

[1] Includes $261,000 for operations of Santa Fe Park Service office, not related to the Santa Fe Trail.
[2] Includes $5 million earmarked for Lewis & Clark Bicentennial projects. One-third of the remaining funds (about $664,000 of $1.987 million) are earmarked for National Trails System projects.
[3] Administration request does not allocate any funds for the National Trails System. The Congressional earmark is needed to accomplish this.
[4] Congress tells NPS to report on progress of GIS development and future funding needed by January 31, 2001 and to request increased GIS funding for fiscal year 2002.
[5] Funding request reflects budget detailed in Park Service GIS report delivered to Congress in January 2002.
[6] Appropriation includes: $2.5 million for administration of the Continental Divide, Florida, and Pacific Crest National Scenic Trails and the Nez Perce National Historic Trail, funding for full-time administrators for each trail and land acquisition teams for the Florida and Pacific Crest Trails.
[7] This would be a grant to the State of Wisconsin to be matched at least 1:1.
[8] These would be grants to the States of Wisconsin, Michigan and Ohio to be matched at least 1:1.

PREPARED STATEMENT OF THE NATIONAL RECREATION AND PARK ASSOCIATION

This statement is to share with the Subcommittee the views of the National Recreation and Park Association on fiscal year 2004 appropriations for selected programs within its jurisdiction. We appreciate the opportunity to comment on programs administered principally by the National Park Service.

We recommend the following:

—Not less than $200,000,000 from the Land and Water Conservation Fund for state assistance, and additional funds to meet the highest land conservation priorities of eligible federal land systems. Funds should be allocated to the states as authorized by current law.

—$50,000,000 to address the most distressed urban recreation resource conditions and deficiencies identified and aided through the Urban Park and Recreation Recovery Program.

—Sufficient funds to enable the National Park Service, through Federal Lands to Parks, Rivers, Trails, and Conservation (RTC) and other programs to collaborate with state and local recreation and park agencies and others on such matters as conservation and use of excess surplus federal real property and rivers and trails.

—Sufficient funds to support sustainable public recreation use of national forests, parks, refuges, and public lands.

These recommendations, if enacted, will help address the national imperative to improve physical and mental health, sustain the environment, and stimulate economic growth.

LAND AND WATER CONSERVATION FUND STATE ASSISTANCE

We commend the Subcommittee's actions to build and sustain fiscal partnerships with state and local recreation and park authorities. We share with many legislators and advocates the disappointment that the fiscal year 2003 omnibus appropriations act ultimately resulted in a reduction of some $80 million in LWCF state assistance and the urban park programs. Our request for fiscal year 2004 equals the Administration's LWCF state assistance request for fiscal year 2003—$200,000,000—absent restrictions that would have been imposed by the "Cooperative Conservation Initiative."

We also commend the President for his commitment to appropriations from the Land and Water Conservation Fund. However, we urge the Administration in future budgets to more accurately affect actual public needs and the basic authority of the LWCF act.

Recent (2000–2002) requests for LWCF assistance exceed $3.26 billion, according to applications submitted to state officials. This, we believe, is a very conservative estimate of need. In general, project priorities reflect a nationwide demand to increase the recreation capacity of public systems.

We remain deeply concerned that the Administration's budget proposes access to the Land and Water Conservation Fund for a number of programs not presently authorized to do so. The LWCF act, while broad in its application and diversity of projects, is very specific in its policy objectives—provision of recreational opportunities to improve public health and conservation of lands and waters for public recreation. If the Subcommittee in its wisdom accepts the Administration's interpretation of LWCF authority, then it should specifically stipulate that state and local public recreation and park entities are fully eligible to access these programs, and that assisted resources be publicly accessible for appropriate forms of recreation.

Non-federal recreation and park resources are fundamentally essential to quality recreation experiences for all people. Collectively, these systems—with strong citizen support and executive and management expertise—provide the majority of public recreation destinations, services, and visitor experiences. While diverse and widespread, until all people have appropriate access to recreation and parks our collective missions will remain unfinished. Beyond our fiscal year 2004 recommendation, we urge the Subcommittee to move quickly toward annual full funding of the Land and Water Conservation Fund.

URBAN PARK AND RECREATION RECOVERY PROGRAM

The Urban Park and Recreation Recovery Program recognizes the recreation values associated with conservation of the built environment. We believe these values are of no less importance than conservation of other recreation spaces and places of high ecological and aesthetic value. Demand for Urban Park and Recreation Recovery Program assistance remains high. This interest is reflected in both the number of requests for assistance and the quality and objectives of projects. While no

fiscal year 2003 funds were appropriated, the record of interest expressed in previous fiscal years is revealing. For example, in fiscal year 2000 ($2 million available) only 14 projects were selected for assistance. In fiscal year 2001 187 local jurisdictions applied ($28.8 million available), and 95 projects were selected. Nearly 200 communities requested 2002 funds, and only 71 were assisted with available funds. UPARR projects emphasize the national importance of bringing quality recreation resources and services to children and youth in more economically distressed cities and neighborhoods. Our request for increased investment is based in part on the ultimate loss of $30 million included in the fiscal year 2003 House-passed bill.

Despite a degree of fiscal stress impacting many state and local governments as a direct or indirect result of terrorist activities, "homeland security" costs, or economic conditions there is no information that suggests that our recommended LWCF assistance minimum of $200 million and $50 million for urban parks will not be fully utilized within allowable time frames.

NATIONAL PARK SERVICE INTERGOVERNMENTAL ACTIVITIES

Rivers and Trails Conservation Assistance Program

We recommend $15,000,000 for the Rivers, Trails, and Conservation Assistance Program administered by the National Park Service. This amount is based in part on emerging interest in partnerships and resource conservation strategies that often result in less than fee title actions. The RTCA program illustrates the critical importance and federal contribution to public/private partnerships for conservation of natural and cultural resources, and public access for recreation. The program provides technical assistance to local governments, citizen and community organizations, and state agencies to consider recreation and conservation strategies. The results include restoration of rivers, planning and development of trails, conservation of open space and greenways, among other types of projects.

Our proposed funding will allow the NPS RTCA program to assign staff resources to initiatives in each state. It will leverage additional funds and bring projects to completion earlier than might otherwise be possible. Our request also recognizes that requests for assistance outpace program capacity by about 4 to 1. That is, the National Park Service annually receives about 400 requests for assistance, but presently has the capacity to start about 100. Early federal technical support is critical to the long-term success of local, often citizen-driven initiatives. NPS anticipated that its involvement will be relatively short term—1 to 2 years—and it does not measure its contribution to a project until at least 5 years after providing technical assistance. This "delayed evaluation" approach enables NPS to more effectively assess the outcomes arising from early organization and technical support. We urge the Subcommittee to resist so called "hard earmarks" and instead rely on the relative quality of proposals and conservation priorities to determine support.

Federal Lands to Parks Program

We recommend an appropriation of at least $1 million to support the Federal Lands to Parks program administered by the National Park Service. Our recommendation will address what we believe to be a long-standing budget shortfall relative to program demands. The FLP program is an exemplary partnership. It guides and assists in the conversion of surplus federal properties to state and local governments for public recreation and park use. Unfortunately, the program was downsized in the early 1980s, and funding has remained essentially flat. Concurrently, property potentially available for state and local parks and demand for federal assistance has increased beyond the capacity of program staff. A large part of this demand is the result of the closure of military bases between 1988 and 1995. In fiscal year 2002, FLP program staff assisted in the transfer of twenty-four properties valued at nearly $30 million. Today, there is a backlog of some sixty pending transfers, mostly resulting from the closure of military installations.

Local and state park systems are critical to the American people and others who work and reside among us. With sufficient funds, more recreation resources could become accessible. These resources address the diverse public interests and our collective need for quality recreation and associated services for children of working parents. They host programs that serve millions of nutritious breakfasts, lunches, snacks, and suppers to needy children, and help reduce crime and delinquency, especially after school hours. Public recreation and park mangers and sites recognize that at any given time perhaps 50 million people have a disability, and attempt to accommodate their desire for recreation.

State and local agencies contribute importantly to plant and wildlife diversity. Nationwide, over 5,000 local park systems, for example, contain about 9 million acres. Hundreds of local systems have more than 5,000 acres, with many systems in excess

of 15,000 acres. An estimated 80 to 85 percent of larger systems are typically undeveloped and thus contribute to an array of conservation outcomes. Larger systems also provide opportunities for environmental awareness and experiential education.

The National Recreation and Park Association appreciates the opportunity to comment. NRPA public policy director, Barry Tindall (202–887–0290) is available to provide additional perspectives and to respond to questions.

PREPARED STATEMENT OF THE NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

Thank you for the opportunity to present testimony on behalf of the New York State Office of Parks, Recreation and Historic Preservation. My purpose in presenting this testimony is to support the State Side of the Land and Water Conservation Fund (LWCF), and to respectfully request an appropriation of $160 Million for fiscal year 2004. In addition, I ask that you support the Urban Parks and Recreational Recovery Program (UPARR), and I would resectfully request that this program be restored, and funded in the amount of $50 Million for fiscal year 2004.

As you know, your predecessors in Congress conceived a simple, but powerfully effective idea in 1964: a pay-as-you-go program that takes a small portion of the fees generated from oil & gas drilling on the Outer Continental Shelf, the portion designated for state side funding that is to support the creation, development, and enhancement of a wide variety of community parks and recreational resources.

Those bodies promised the American people that, where on the one hand we are generating billions of dollars in revenue by the depletion of one non-renewable resource, we would invest in the environment by dedicating a small portion of those funds to the acquisition, preservation and development of recreational resources in states and communities across America.

It is a program that works. From 1965 to 1995, NYS Parks, as administrator for LWCF, directed 58 percent of the NYS allocation of some $200 million to Municipal Park acquisition and development projects, (33 percent to cities, 5 percent to counties, 14.5 to towns, 4.5 percent to villages). Since its inception, this program has resulted in over 1,100 projects undertaken throughout New York State, and LWCF projects exist in virtually every county in the state. These projects have built and illuminated baseball and soccer fields, hiking trails and camping facilities, and provided for open spaces for our youth, adults and seniors.

Not all of our citizens realize that the State side of LWCF touches the lives of every one of our residents and constituents.

Because grants may not exceed 50 percent of the total project costs, the program is enormously successful in leveraging these federal dollars, literally allowing communities to create parks and recreational opportunities where none would otherwise exist. These projects are so important because they provide close-to-home opportunities for Americans to exercise, recreate, and simply get outdoors and play with their children, and the development of recreational facilities creates jobs.

From 1994 through 1999 stateside LWCF received no funding, and the entire program simply disappeared. As a result of widespread support from all around the country, stateside LWCF was restored by the 106th Congress for fiscal year 2000, with an appropriation of $40 Million. Funding gradually increased through fiscal year 2002, until the program suffered substantial cuts in the fiscal year 2003 Omnibus Budget Resolution.

As Commissioner for the New York State Agency responsible for the administration of the program, I can report that since the year 2000 alone, approximately 60 projects have been funded throughout the state, from eastern Long Island to the Niagara Frontier, to New York City, and north to the Thousand Islands. These include 30 municipal projects in 22 counties, and 26 state park projects in communities throughout every region of New York State. We have taken great care to balance our use of these funds so that they benefit all residents of our state. I thank the members of this committee for that support, and for keeping the vision behind LWCF alive.

However, I must also report that even in fiscal year 2002, the best year for LWCF funding thus far in my tenure, there were some 170 project applications that could not be funded, representing some $30 million in unmet needs. Precisely because this program reaches all Americans where we live, the demand for recreational facilities close to home continues to grow, and I must ask, on behalf of your constituents, that you prevent the deterioration of one of the most successful and cost-effective domestic programs at this critical time.

For fiscal year 2004 please support the state side LWCF by providing the $160 million appropriation to this program that is contained in the Administration's

budget request, thereby preserving the effectiveness of this program for this generation of Americans, who were no less the recipients of the promise made by your predecessors than their forbears.

The funding source for this program, fees generated from exploration on the Outer Continental Shelf remains intact. The financial commitment necessary to keep state side LWCF intact is a small percentage of those fees realized. And yet, the cost in lost opportunities will be great indeed, if this Congress fails to preserve the program at the $160 million figure.

The other program that I would like to add my support to today is the Urban Parks and Recreation Recovery Program, or UPARR.

UPARR is another program that seeks to improve recreational facilities in neighborhoods throughout the country, with a special focus on underserved communities. Similarly effective by the use of leveraged matching grants, this program helps urban communities rehabilitate existing but deteriorating facilities. This program will suffer greatly this year by an elimination of funding. I strongly urge you to restore this program by providing $50 million in funding for fiscal year 2004.

By preserving these two complimentary programs, we can live up to the promises made, and the commitment to our communities, our families, our neighborhoods, and our children. Thank you for the opportunity to present my views as New York State Parks Commissioner on a program that I know works for New Yorkers, and for all Americans.

PREPARED STATEMENT OF PRESERVATION ACTION

Between fiscal year 2001 and fiscal year 2003, funding for Historic Preservation Fund has been cut by 28 percent with the overall appropriation dropping from $94 million to just $67 million. President Bush's fiscal year 2004 budget proposes level funding for the program. Preservation Action and its national membership of citizens dedicated to historic preservation in their communities, respectfully requests that funding be restored to the Historic Preservation Fund. We request $50 million for State Historic Preservation Offices; $10 million for Tribal Historic Preservation Offices; $30 million for Save America's Treasures Grants; and $10 million to assist states to complete and digitize their historic site surveys—totaling $100 million.

The national historic preservation program is unique among federal initiatives because it does not rely on acquisition or federal intervention to achieve its objective: to discover, celebrate and protect America's rich architectural heritage. Rather, it gives property owners and local citizens the tools they need to restore and protect heritage resources for the benefit of the entire community. In effect, the National Historic Preservation Act creates an extremely effective partnership between the federal government, States, Tribes and local governments as a way to deliver these tools to citizens, property owners and developers. This partnership is underwritten by the Historic Preservation Fund and matched by the State Historic Preservation Officers, Tribal Historic Preservation Officers and Certified Local Governments. We ask that the federal government not renege on its part of the bargain by under funding its financial commitment to this important program.

DISCOVER

The number one priority of the national historic preservation program at its inception was to survey and document the immensely rich architectural and archaeological resources across this nation, from the smallest town to the largest city. The survey was intended to serve as the basis of federal, state, tribal, and local protection efforts. It was also envisioned as a way to expedite the 106 review process, mandated by federal law. Under funding has dramatically reduced the number and scope of survey work. Indeed, most states have been forced to turn their attention to "demand" responsibilities at the expense of survey work. Lack of adequate surveys actually costs process. If Congress had provided sufficient funding for the Historic Preservation Fund over the past 15 years, historic site inventories would be complete. Federal agency planners could access historic site information including descriptions and photographs from the Internet on their desktop computers and proceed with project planning in an atmosphere of knowledge and forethought. Increased funding can help States complete their survey work to the benefit of their historic resources and federal agency planners.

CELEBRATE

Importantly, survey and subsequent nomination and listing on the National Register were intended to offer a way to celebrate and promote a community's heritage

resources boosting pride, stimulating economic investment and inviting heritage tourism. Unfortunately, it is estimated that cuts to State Historic Preservation Offices between 2001 and 2003 have already reduced annual National Register nominations by some 15,000 properties. That means that hundreds of communities are unable to take advantage of restoration grants, commercial rehabilitation tax credits, and heritage tourism plans that could help them save and sustain their historic resources.

PROTECT

From our perspective, there is no component of the program that better illustrates the power of the federal-State partnership than the Historic Rehabilitation Tax Credit. This tax incentive program leveraged more than $3.27 billion in private investment for historic resources in 2002 and created 13,886 housing units, 5,673 of them for low to moderate income individuals. On the ground these numbers translate into comfortable high-quality places for people of average means to live. They mean that boarded up and vacant buildings are restored and re-opened as viable business enterprises and are put back on the tax rolls for the benefit of the entire community. They mean that the federal government, working with its partners, quadrupled its investment, put people to work, and repaired the fabric of our neighborhoods. The tax act program carries out the spirit of the National Historic Preservation Act in concrete ways.

For this program to work, owners and developers must be able to turn to State Historic Preservation Officers for National Register nominations, for advice on project design and for timely review and certification. Unfortunately, State Offices have been forced to cut back on staff, slowing tax act reviews and seriously curtailing their ability to partner with developers to save historic resources.

Similarly, when the Historic Preservation Fund appropriation allows, State Offices offer grants to help restore National Register properties. These grants are often the catalyst for additional public and private investment. When restoration grants are not available, historic buildings are allowed to deteriorate. For the first time since the 1970's increased funding in fiscal year 2001 allowed substantial disbursement of restoration grants, it also gave State Offices the opportunity to invest in long overdue infrastructure improvements (e.g., geographic information system upgrades). These investments totaled nearly $11 million in fiscal year 2001. However, the cuts in fiscal year 2002 reduced that investment to an estimated $3 million and with the cuts in 2003 many states simply were unable to extend restoration and project grants leaving untold thousands of projects without the seed money they need to ensure there success.

CONCLUSION

We are a nation at war, facing a new and uncertain era. Our citizens are turning to their neighborhoods, town centers and heritage resources as a source of comfort. In small towns and big, rural, urban and suburban areas, our history—embodied in the built environment—gives context and meaning to the American experience. We must find a way, even in difficult fiscal times, to discover, celebrate and protect our heritage and to build a thriving future that does not compromise our historic resources. Now, more than ever, historic preservation, as defined and guided by the National Historic Preservation Act, must be an integral part of how we do business in all our communities. This can not happen without adequate funding for the Historic Preservation Fund. Please approve funding for the Historic Preservation Fund at $100 million for fiscal year 2004.

PREPARED STATEMENT OF THE AMERICAN GEOLOGICAL INSTITUTE

Thank you for this opportunity to provide the American Geological Institute's perspective on fiscal year 2004 appropriations for geoscience programs within the subcommittee's jurisdiction. The president's budget requests significant cuts in the U.S. Geological Survey (USGS). If enacted, these reductions would hamper the Survey's ability to carry out its important missions to ensure adequate natural resources, monitor environmental conditions and reduce the nation's vulnerability to natural hazards. Specifically, we ask the subcommittee to restore funds to the USGS Mineral Resources, Advanced National Seismic System, National Cooperative Geologic Mapping, and Toxic Substances Hydrology programs. In addition, the president's request would decimate the Department of Energy's Office of Fossil Energy oil and natural gas research programs, and we ask for restoration of those to their fiscal year 2002 levels.

Geoscience activities are also found in a number of other agencies within the subcommittee's jurisdiction. We ask the subcommittee to provide adequate funds for geoscience activities in the Minerals Management Service (MMS) Environmental Studies Program, the National Park Service Geologic Resources Division and the U.S. Forest Service Minerals and Geology Management Program, and to fully fund scientific research programs at the Smithsonian Institution. MMS does important work in energy resource assessment and collection of geoscience data. Geoscience programs within the land management agencies provide a scientific basis for land-use decisions, a role that they share with the USGS. The Smithsonian's National Museum of Natural History plays a dual role in communicating the excitement of the geosciences and enhancing knowledge through research and preservation of geoscience collections.

AGI is a nonprofit federation of 40 geoscientific and professional associations that represent more than 100,000 geologists, geophysicists, and other earth scientists. The institute serves as a voice for shared interests in our profession, plays a major role in strengthening geoscience education, and strives to increase public awareness of the vital role that the geosciences play in society's use of resources and interaction with the environment.

U.S. GEOLOGICAL SURVEY

For the third year in a row, the USGS faces substantial cuts in the administration's request. AGI thanks the subcommittee for its record of restoring cuts and recognizing the Survey's broad value to the nation. This year, we urge the subcommittee to not only put back funds cut in the president's request but also to provide enough additional support to stop the ongoing erosion of the Survey's ability to carry out its programs due to the rising costs of doing business. Uncontrollable expenses, such as cost-of-living increases for salaries, should not cut into the funds available to fulfill the agency's mission.

AGI has recently signed on as a charter member of the USGS Coalition, a newly formed alliance of organizations united by a commitment to the continued vitality of the unique combination of biological, geological, hydrological and mapping programs of the U.S. Geological Survey. The Coalition supports increased federal investment in USGS programs that underpin responsible natural resource stewardship, improve resilience to natural and human-induced hazards, and contribute to the long-term health, security and prosperity of the nation.

Virtually every American citizen and every federal, state, and local agency benefits either directly or indirectly from USGS products and services. As was made clear by the recent National Research Council report *Future Roles and Opportunities for the U.S. Geological Survey,* the USGS's value to the nation goes well beyond the Department of the Interior's stewardship mission for public lands. USGS information and expertise address a wide range of important problems facing this nation: earthquakes and floods, global environmental change, water availability, waste disposal, and availability of energy and mineral resources. Some of the most important activities of the Survey serve the entire nation and often are most applicable to those non-federal lands where the nation's citizens reside. At the same time, AGI recognizes that the Survey does have a responsibility to provide scientific support for its sister land management agencies at Interior, an important mission that needs to be well executed if land management decisions are to be made with the best available scientific information. It is imperative that both these missions be recognized and valued within the Department and the White House. AGI asks the subcommittee to continue its efforts to help the administration better understand the Survey's value to the nation as a whole

National Cooperative Geologic Mapping Program.—AGI urges the subcommittee to reject the administration's requested cuts to the National Cooperative Geologic Mapping Program and to fund this important program at the fiscal year 2003 appropriated level. This important partnership between the USGS, state geological surveys, and universities provides the nation with fundamental data for addressing natural hazard mitigation, environmental remediation, land-use planning, and resource development.

Mineral Resources Program.—This highly regarded research program is the nation's premier credible source for regional, national and global mineral resource and mineral environmental assessments, statistics and research critical for sound economic, mineral-supply, land-use and environmental analysis, planning and decision making. AGI urges the subcommittee to reject the administration's requested cuts to this program and to fund it at the fiscal year 2003 appropriated level. If additional funds are available to grow this program, we ask the subcommittee to consider the Mineral Education and Research initiative that would establish an exter-

nal grant program to support university-based applied mineral deposits research and training in mineral resource issues. Such a program has been recommended by the National Research Council as a means of improving cooperation between the minerals industry, universities and government, and of arresting the decline in geoscience faculty research expertise in minerals geology.

Advanced National Seismic System.—A key role for the USGS is providing the research, monitoring, and assessment that are critically needed to better prepare for and respond to natural hazards. When a massive quake struck Alaska in December, a major economic and environmental disaster was averted because the Trans Alaska Pipeline System did not rupture where it crossed the fault. The pipeline's resilience, despite the 14 feet of ground movement, was due to stringent design specifications based on USGS geologic studies three decades ago. To ensure future successes in hazard identification and mitigation, the Earthquake Hazards Reduction Authorization Act of 1999 called for a significant federal investment in expansion and modernization of existing seismic networks and for development of ANSS—a nationwide network of shaking measurement systems centered on urban areas. ANSS can provide real-time earthquake information to emergency responders as well as building and ground shaking data for engineers and scientists seeking to understand earthquake processes. AGI urges the subcommittee to reject the administration's requested cuts to this program and to fund it at the fiscal year 2003 appropriated level. If additional funds are available, this program should grow toward its authorized levels of $35 million.

Hydrology Programs.—Although the administration has abandoned its fiscal year 2003 proposal to transfer the Toxic Substances Hydrology program to the National Science Foundation, it is still requesting a significant cut. The Toxics program supports targeted, long-term research on water resource contamination in both surface and groundwater environments. Such problem-specific research in this area is highly appropriate for USGS. The president's request also calls for the termination of the Water Resources Research Institutes. AGI strongly encourages the subcommittee to oppose these reductions and to fully support these programs. AGI is pleased that the administration has requested full funding for the National Water Quality Assessment and National Streamflow Information programs, both of which make important contributions to the nation.

Homeland Security.—Another troubling aspect of the president's request that is not apparent from the budget documents is the lack of funding for the USGS activities in support of homeland security and the war on terrorism overseas. All four disciplines within the Survey have made and continue to make significant contributions to these efforts, but the fiscal year 2004 request does not provide any direct funding. Instead, those costs must be absorbed in addition to the proposed cuts. AGI encourages the subcommittee to recognize the Survey's important role in homeland security and ensure adequate support for its newfound responsibilities.

DOE FOSSIL ENERGY RESEARCH AND DEVELOPMENT

AGI is very concerned by the significant reductions in the President's budget request to the Oil Technology R&D and Natural Gas R&D programs. The proposed 65 percent cut to oil research and 43 percent to natural gas research would decimate these programs. The cuts to upstream exploration and production research are even more drastic, reaching 96 percent in the case of upstream oil research. The research dollars spent by these programs go largely to universities, state geological surveys and research consortia to address critical issues like enhanced recovery from known fields and unconventional sources that are the future of natural gas supply. This money does not go into corporate coffers, but it helps American businesses stay in business by giving them a technological edge over their foreign competitors. AGI strongly encourages the subcommittee to restore these funds and bring these programs back to at least fiscal year 2002 levels.

Research funded by DOE leads to new technologies that improve the efficiency and productivity of the domestic energy industry. Continued research on fossil energy is critical to America's future and should be a key component of any national energy strategy. The societal benefits of fossil energy R&D extend to such areas as economic and national security, job creation, capital investment, and reduction of the trade deficit. The nation will remain dependent on petroleum as its principal transportation fuel for the foreseeable future and natural gas is growing in importance. It is critical that domestic production not be allowed to prematurely decline at a time when tremendous advances are being made in improving the technology with which these resources are extracted. The recent spike in both oil and natural gas prices is a reminder of the need to retain a vibrant domestic industry in the

face of uncertain sources overseas. Technological advances are key to maintaining our resource base and ensuring this country's future energy security.

The federal investment in energy R&D is particularly important when it comes to longer-range research with broad benefits. In today's competitive markets, the private sector focuses dwindling research dollars on shorter-term results in highly applied areas such as technical services. In this context, DOE's support of fossil energy research is very significant both in magnitude and impact compared to that done in the private sector. Without it, we risk losing our technological edge with this global commodity.

SMITHSONIAN INSTITUTION

This venerable institution was established for "the increase and diffusion of knowledge." Those dual charges require that the Smithsonian not only welcome visitors to its museums but also produce new knowledge through scientific research. Earlier this year, a specially appointed science commission released a report outlining the role of research within the Smithsonian. The report noted that funding erosion has placed the institution's world-class research facilities and researchers in poor financial standing. The National Research Council has released a report with similar findings. The message, however, does not appear to have had a significant impact on the president's fiscal year 2004 request, which calls for a 6 percent cut in research funding. AGI asks the subcommittee to embrace the findings of these reports and build up Smithsonian research.

NATIONAL PARK SERVICE

The national parks are very important to the geoscience community as unique national treasures that showcase the geologic splendor of our country and offer unparalleled opportunities for both geoscientific research and education of our fellow citizens. The National Park Services's Geologic Resources Division was established in 1995 to provide park managers with geologic expertise. Working in conjunction with USGS and other partners, the division helps ensure that geoscientists are becoming part of an integrated approach to science-based resource management in parks. AGI asks the subcommittee to fully support the president's requested increase for the Natural Resources Challenge. AGI would like to see additional support for the Volunteer in the Park program and its associated partnerships as well as additional geological staff positions to adequately address the geologic resources in the national parks.

Thank you for the opportunity to present this testimony to the subcommittee. If you would like any additional information for the record, please contact me at 703–379–2480, ext. 228 voice, 703–379–7563 fax, applegate@agiweb.org, or 4220 King Street, Alexandria VA 22302–1502.

PREPARED STATEMENT OF THE AMERICAN SOCIETY FOR MICROBIOLOGY

The American Society for Microbiology (ASM), the largest single life science organization in the world, comprised of more than 40,000 members, appreciates the opportunity to provide written testimony on the fiscal year 2004 budget of $896 million for the U.S. Geological Survey (USGS). The ASM represents scientists who work in academic, medical, governmental and industrial institutions worldwide and are involved in research to improve human health and the environment.

The USGS is a world leader in the natural sciences and serves the nation by furthering our understanding of the Earth and its ecosystems. Through the management of water, biological, energy, and mineral resources, USGS research is providing novel solutions to pressing issues in the geological, hydrological, geographical, and biological processes. USGS's ability to carry out large scale, multi-disciplinary studies on a national scale are critical to advancing this knowledge. Through its long-term monitoring and assessment programs of the nation's natural resources, the USGS provides the impartial science that federal, state and local governments need in order to respond to changing environmental conditions.

The USGS's environmental monitoring capabilities also make it the lead science provider for accessing information and facts necessary for resolving complex natural science problems across the nation and around the world. For instance, the USGS is collaborating with the Centers for Disease Control and Prevention and the U.S. Department of Agriculture, in order to better understand the west Nile Virus (WNV) and its effects on humans and animals. This type of collaboration relies on USGS's unique, nation-spanning monitoring systems that allow the USGS to track and evaluate disease-causing vectors in an effort to protect human and animal health.

The USGS is also co-sponsoring with the National Institutes of Health and the National Science Foundation research on the ecological changes that affect infectious diseases such as biodiversity loss, habitat transformation, environmental contamination, and climate change. This type of research can only be accomplished with USGS's extensive environmental monitoring data and its expertise in analyzing complex environmental phenomena.

The ASM is concerned that the fiscal year 2004 budget request proposes cuts that will severely restrict the USGS's ability to provide scientific support for the Department of Interior and other agency research needs. The proposed cuts result in a decrease of $30 million for the USGS, or 3 percent, to $895 million for fiscal year 2004. Within the USGS budget, the Biological Resources Division (BRD) is essentially level funded at $168 million; the Water Resources Division is cut by 5 percent to $200 million and the Geologic Division is cut by 5 percent to $222 million. The ASM would like to submit the following comments and recommendations for adequate funding levels for research in the Water Resources Division and the BRD for fiscal year 2004.

NATIONAL WATER-QUALITY ASSESSMENT PROGRAM

Since 1991, USGS scientists with the National Water-Quality Assessment Program (NAWQA) have been collecting and analyzing data and information on more than 50 major river basins and aquifers across the nation. Its efforts focus on long-term, independent water quality research that is otherwise unavailable. NWQAP is made-up of 42 sites nationwide, which provide quantitative information on: (1) long-term trends in concentrations of nutrients, pesticides, and sediment that enter the water system; (2) regional source areas of contaminants; and (3) the effects of population and land use on the concentrations of contaminants. Through NWQAP, the USGS is able to leverage its nation-spanning environmental monitoring facilities to provide local government, resource managers and industry the means to protect drinking water and water ecosystems. NWQAP other partners for responding to local, state, regional, and national efforts to protect, improve, and manage water resources.

The Administration's budget proposes a $64 million budget for the NWQAP, a 10 percent increase over fiscal year 2003, but level with fiscal year 2002.—This level of funding will allow the program to continue microbial sampling initiatives, which were singled out by the National Academy of Science-National Research Council's (NRC) Water Science and Technology Board (1999) as a priority.

The ASM applauds USGS's leadership in addressing existing and future water quality needs through multidisciplinary research teams. The ASM urges Congress to support this critical program that plays such an important role in public health and safeguarding our water supply from unexpected biological hazards.

TOXIC SUBSTANCES HYDROLOGY PROGRAM

The ASM is pleased to see the Administration has supported this program in its fiscal year 2004 budget proposal.—The ASM recommends that Congress meet or exceed the Administration's funding of $11 million. The Toxics program is a major resource in the nation's effort to identify harmful pharmaceuticals, hormones, and other organic wastewater contaminates in the water system. The ASM supports the focus and mission of this program and its efforts to combat increasing levels of toxic substances and water-borne pathogens in our drinking water supplies.

The Toxic Substances Hydrology Program (Toxics) is conducting long-term research to improve our understanding of the behavior of contaminants in the nation's ground and surface waters. The Toxics program is also an essential partner in the water-quality monitoring and assessment programs of the U.S. Environmental Protection Agency, the U.S. Department of Agriculture, the Department of Defense, the Department of Energy, the Nuclear Regulatory Commission, and other DOI agencies. In 2004, the program will focus on identifying new contaminants (e.g., hormones, animal-based pharmaceuticals), and developing the analytical methods needed to protect the integrity of our water resources, one of the most important issues of the 21st century. For instance, the Toxics program is involved in research to identify the factors that control where and when mercury accumulates to toxic levels in the food chain. This research is an important component in restoration efforts of the Florida Everglades ecosystem.

STATE WATER RESOURCES RESEARCH INSTITUTE PROGRAM

The ASM requests that Congress continue to fund this program despite the Administration's plan to eliminate it in fiscal year 2004. The funding level for the program in fiscal year 2002 and fiscal year 2003 was $6 million. Therefore, the ASM

highly recommends that the Subcommittee allocate the necessary funds (at least $6 million) to maintain program viability. The Water Resources Research Act of 1984 established the State Water Resources Research Institute Program (SWRRIP) to coordinate State and federal research on water quality and water supply problems. This program is also one of the federal government's principal mechanisms for training the next-generation of water scientists and engineers. For example, in 2002, the program requested funding (USGS and University of Arizona scientists) to examine the impact of agricultural chemicals as a major non-point source of arsenic, by monitoring the microbial processes and microorganisms responsible for the conversions of arsenic compounds. Such water quality research is essential if the toxicity of agriculturally based arsenic is to be determined and plans for amelioration developed.

WILDLIFE DISEASE INITIATIVE

The Wildlife Disease Initiative (WDI) is currently an unfunded program within the BRD. The USGS anticipates the cost of the program in its first year, which would be fiscal year 2004, to be $10 million. The ASM supports this level of funding for the WDI. The WDI would focus research on the recent emergence of major diseases affecting wildlife, such as, the West Nile virus (WNV), Chronic Wasting Disease (CWD), bovine Tuberculosis (TB), and the potential introduction of Foot and Mouth Disease (FMD). While several of these diseases (TB, CWD, and FMD) can have a devastating effect on domestic animals, their potential impact upon human health is less understood. However, it should be noted that the agent of bovine Tuberculosis can cause TB in humans. The WDI would allow the USGS to assist the U.S. Department of Agriculture and the Centers for Disease Control and Prevention in bridging this knowledge gap. Such a partnership would provide the critical wildlife expertise necessary for studying the effects of these emerging diseases on wildlife; improve our understanding of wildlife's role as reservoirs; and improve our ability to prevent and control outbreaks.

No other agency has the capabilities or expertise to address disease detection, control and prevention in wildlife. Therefore, the ASM fully supports an integrative, inter-agency program that combines animal and human health as elements of public health. Furthermore, the ASM urges the Subcommittee to consider the importance of tracking and responding to wildlife diseases, such as, WNV that can move freely between animal host and humans.

CONCLUSION

Interactions between the environment, its biota and people are highly complex and solutions require integrative, multidisciplinary approaches and an adequately funded and staffed USGS. The ASM encourages Congress to maintain its commitment to U.S. Geological Survey research programs, which are vital to continued discovery of geological, hydrological, geographical, and biological processes that are so important to the well being of the environment and protecting public health.

PREPARED STATEMENT OF THE GROUND WATER PROTECTION COUNCIL

Mr. Chairman, thank you for the opportunity to testify today. My name is Tom Richmond and I am a member of the Board of Directors of the Ground Water Protection Council and the Administrator of the Montana Board of Oil & Gas Conservation. This agency is responsible for the environmental safeguards related to oil and gas exploration and production, including the re-injection of produced salt water into geologic formations below underground source of drinking water. This Underground Injection Control (UIC) program assures the safety of our underground water supplies. My testimony today is submitted on behalf of the Ground Water Protection Council (GWPC).

The Ground Water Protection Council (GWPC) is responsible for the development and operation of the nationally acclaimed Risk Based Data Management System (RBDMS) system. GWPC has received DOE's Energy 100 Award for RBDMS. This recognizes RBDMS as one of the top 100 of all DOE projects. Research indicates that agencies with data management systems that provide access to oil and gas data experienced a conservative estimated increase of 10 percent for new developments as a result of the much improved data access. The GWPC is made up of state oil and gas agencies, as well as, those that regulate ground water and other underground injection control programs. Through the GWPC, the states are all working together to protect ground water resources while holding down the cost of environmental compliance.

We would like to thank the Committee for the previous support of approximately $950,000 in the fiscal year 2003 budget. The funding has given the states the opportunity to develop additional software and management tools that enables states to make decisions that result in the best possible balance of exploration and environmental considerations. We, in turn share that information with the public and companies we regulate, many of which are small businesses that would not otherwise have the ability to access such accurate information. We ask for continued support and assistance to state oil & gas agencies and the independent oil & gas industry with continued funding of the Risk Base Data Management Systems (RBDMS) and urge the Committee to hold the funding for RBDMS at the same level ($950,000) for fiscal year 2004 so we can continue to expand the system to every oil and gas producing state. The system is currently operational in Alaska, Montana, Nebraska, Mississippi, North Dakota, Ohio, New York, Pennsylvania, Utah, New Mexico, Alabama, Kentucky, Missouri, Arkansas, Florida, Kansas, as well as the Osage Tribe in Oklahoma. In 03 we are installing RBDMS in Nevada and California and we are beginning the process in Oklahoma and Louisiana. Additional funding would allow each remaining state to initiate the program as well. This funding will be used to enhance the current capabilities of RBDMS to make it accessible to both the public, local governmental agencies and the companies through the Internet. We are learning that electronic commerce mutually saves time and money for both the oil and gas industry and the regulatory agencies. On-line permitting and reporting is cost effective and saves industry time and money. One California operator estimated that an automated permitting system for new drills and reworks could increase production from one of its larger oil and gas fields by 500,000 barrels per year. Therefore, any delay in issuing a permit caused by the inefficiencies of manual processes and analyses can have a significant impact on production. This funding will provide the smaller independent oil producers access to this environmental data management system. Smaller producers are often the most in need of such a system because high regulatory costs hit them the hardest.

I want to stress that states are dedicating their own financial resources to RBDMS. For example Ohio, is using almost $600,000 in state capital improvement and $400,000 of operations funding to implement RBDMS. Every state currently using the system has also contributed to building the system and I know all additional states are planning on using state dollars as well as federal funds. But what the remaining states need is a relatively small amount of start-up assistance after which time they have shown they are willing to begin applying their own resources. State match for federal funding exceeds 100 percent. We are more than doubling the investment of federal dollars we receive.

With past assistance from the U.S. Department of Energy, the GWPC assembled a project team with extensive knowledge and experience in state oil and gas agency environmental data management to develop RBDMS, the only comprehensive, fully relational, PC-based oil & gas regulatory data management system in the country. By allowing the oil and gas industry to participate in the next phase of development of the system, we will assure that it will be useful and effective for them. Continued funding at $950,000, the fiscal year 2004 level, will be mutually beneficial to the private sector and the states by keeping environmental compliance costs down.

RBDMS is one of the best examples we have seen of how the states, working with the private sector, can improve both industry production and environmental protection at the same time. Included with my testimony within the "RBDMS Annual Report" are endorsement letters of RBDMS as an alternative to costly command and control regulatory policies. It is supported by both the regulated community and the regulators themselves. Continuing to fund the states in this manner allows us to tailor our regulatory program needs to the industry which operate in our respective states. There is no federal alternative, or "one size fits all" national approach that would work as efficiently as this cooperative multi-State effort.

In summary, the funding we are requesting will provide a means for the successful expansion of the Risk Based Data Management System and will provide the following benefits: (1) improve environmental protection, (2) less regulatory and compliance costs for producers, (3) better state enforcement of environmental regulations, (4) increased exploration activity by small and independent operators and (5) increased oil and gas production. The remainder of my testimony provides a more detailed explanation of how we have used prior funds and how we would use the requested increase. Due to its length, the GWPC will submit it independently in the form of an "RBDMS Annual Report".

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

BIOLOGICAL RESOURCES DISCIPLINE, USGS

Since fiscal year 1994, the base level of funding for BRD has lagged more than $30 million behind the rate of inflation, to say nothing about the inability of BRD to realize substantial increases in program funding to meet the basic research needs of the natural resources community. The President's proposed fiscal year 2004 budget continues to reflect an emphasis on meeting needs identified by Department of the Interior land management bureaus, while biological research needs for the remainder of the land area in the United States, including that managed by the States, remains largely ignored.

The Association is disappointed that the biology component of the fiscal year 2004 USGS budget request reflects a 1.2 percent reduction from the fiscal year 2003 enacted. This reduction is due primarily to the lack of continued funding for several Congressional Add-ons, most of which are intended to provide critical, timely information to improve natural resource management in the United States. We recommend that Congress continue to fund the following projects in the BRD budget for fiscal year 2004: Amphibians Research and Monitoring ($500,000), Ballast Water Research ($499,000), Mark Twain National Forest Mining Study ($750,000), Yukon River Chum Salmon ($180,000), Molecular Biology Studies ($400,000), Pallid Sturgeon Study ($500,000), Diamondback Terrapin Study ($100,000), Atlantic Salmon ($50,000), DNA Bear Sampling in Montana ($1 million), Multidisc Water Resources—Leetown ($300,000), Additional Work at Lake Tahoe ($500,000), Great Lakes Vessel Operations ($120,000), Two Additional Researchers—GLSC ($180,000), Genetic Research at Wellsboro Lab ($500,000), and Cherokee National Forest Inventory and Monitoring ($300,000). These projects are of particular importance to State fish and wildlife agencies in providing necessary information to address these local, regional and national needs.

Of particular concern in the fiscal year 2004 BRD budget request is the reduction of support for continuation of the long-term Fire Science initiative. These fire ecology studies represent collaborative efforts with the Fish and Wildlife Service, National Park Service and Bureau of Land Management. These studies are intended to enhance our understanding of the effects of fire, subsequent recovery of the landscape, and improve our ability to manage burned landscapes. It is the intent of USGS to rely on the Interagency Fire Science Fund for continuation of this work. We do not believe this represents an effective approach for long-term funding, as these funds must be negotiated annually. Long term studies need stable and predictable funding. The Association recommends that $2.8 million be restored by Congress for this effort.

BRD is proposing to absorb approximately $1.9 million of $3.4 million in uncontrollable costs in the fiscal year 2004 budget. This reduction will result in significant losses in operational funds. The Association recommends that Congress provide $1.9 million of additional funds to fully fund uncontrollable costs in BRD.

The Association is also concerned that BRD is disproportionably allocating information technology (IT) reductions. It is vital that these reductions be implemented in a manner that best preserves all programs' viability. The Association recommends that the proposed IT reductions be spread equitably among all BRD programs.

The Association applauds the Administration, DOI, and USGS for their recognition of the value and growing importance of the Gap Analysis Program and the National Biological Information Infrastructure (NBII) and supports the $1 million increase in funding requests for fiscal year 2004 for the latter. However, we also support Congressional direction in the fiscal year 2003 omnibus appropriations bill to BRD to further refine the objectives for NBII and clearly define a strategy for achieving those objectives. As we have stated in the past, these two programs are good examples of the results that may be derived from placing an emphasis on partnerships with States and others, as long as those partnerships are meaningful.

The Association has long supported GAP's inclusion of, and reliance on, State agencies for GAP projects, and looks forward to the expansion of States' roles in Aquatic GAP. The Association is nearing the conclusion of its second year of close partnership with the NBII, and has seen, with gratification, the growing number of States that are beginning to reap the benefits of this liaison. Examples include sage grouse conservation/sagebrush habitat, chronic wasting disease, West Nile virus, and Internet access to Breeding Bird survey data. The Association seeks to expand the relationship of the States with the NBII Program, and recommends Congress increase the fiscal year 2004 budget for NBII by $2 million to support a pilot

project designed to fund States' data management needs through a grants award process to be administered by the Association. Furthermore, the Association recommends Congress increase NBII's fiscal year 2004 budget by an additional $500,000 to fund the Northern Rockies Node at a level of $500,000 (a $350,000 increase over what is proposed) and the Pacific Northwest Node at a level of $350,000 (an increase of $150,000 over what is proposed). The Association supports the proposed expansion of the California Node and the proposed initiation of the Mid-Atlantic Node in the fiscal year 2004 budget request, but also strongly believes existing nodes must be adequately funded. Such is the case with the Northern Rockies and Pacific Northwest nodes where demands far outstrip the modest funding levels currently in place. This disparity should be addressed in this budget cycle, in advance of other nodes scheduled for initiation next year and beyond.

The Association applauds Congress' past efforts at fully funding the Cooperative Research Units, thereby allowing Unit productivity to rise to record levels. Since that was first achieved in fiscal year 2001—at $14 million—there has been some erosion of available fiscal resources for the Units, principally due to uncontrollable costs. These have been disproportionately high since 90 percent of the budget for the Units is salaries. This first surfaced in the fiscal year 2002 enacted budget when the Units were $400,000 short. Because of the high proportion of personnel costs, the burden was high, yet the budget remained flat at $14 million. In the fiscal year 2003 enacted budget, the Units were funded at $14.9 million. The President's proposed fiscal year 2003 budget had actually left the budget flat, but funds were added in markup as follows: $400,000 for operating costs for the new Nebraska Cooperative research unit and $500,000 for uncontrollable costs—although the $400,000 uncontrollable shortfall from fiscal year 2002 still remains. In the President's fiscal year 2004 budget request, the Units would be funded flat, based on the President's fiscal year 2003 request. This means there would be no money for the Nebraska Cooperative research Unit to operate in 2004, and there would be a $600,000 shortfall in uncontrollables. Because of the flat budget, this would mean a net uncontrollable cost shortfall for three consecutive years. In short, the impact on the other Units would be significant.

To maintain full funding for the Cooperative Research Units, the Association recommends Congress increase the fiscal year 2004 budget by $1 million over the fiscal year 2003 enacted—to $15.9 million—in order to maintain the new Nebraska Unit that Congress established in fiscal year 2003, plus again cover uncontrollable costs as Congress did in fiscal year 2003 enacted.

Three states have fisheries units only and 12 states have neither fisheries nor wildlife units. Most states have expressed an interest in entering into a partnership between the BRD, a State University and the state fish and wildlife agency to bring one or both Cooperative Research Units to their state. The Association is pleased that the fiscal year 2003 Appropriations language directs BRD "to develop a priority system for expanding the current program." The Association looks forward to participating in this strategic planning process and we urge Congress to approve budget requests in subsequent years based on this undertaking.

The Association strongly supports BRD's proposal to fund the aquaculture chemical and drug registration effort. The continuation of this cooperative project between BRD, the U.S. Fish and Wildlife Service, the U.S. Department of Agriculture and the state fish and wildlife agencies is critically important to assure that approved, effective and safe treatment measures are available to private, state and federal aquaculture programs. Great progress has been made in registration of drugs and chemicals for the treatment and prevention of diseases in important aquaculture species but additional work remains to increase and expand the treatment options that are available to aquaculture managers. BRD is uniquely qualified for its leadership role in this project and we recommend that Congress express its support for BRD's continued participation in this cooperative effort.

A significant problem still exists with brucellosis, a disease that affects domestic livestock and other animals, and is present in elk and bison in the Greater Yellowstone Area, located within the states of Montana, Wyoming and Idaho. The BRD has a key responsibility, working with other agencies, to help resolve this issue, with the goal of eliminating the disease from the region by 2010. Both the National Park Service and U.S. Fish and Wildlife Service have contributed to a brucellosis research program conducted and partially funded by BRD to improve the vaccination program for brucellosis in elk and bison. These commitments have been on an "ability to pay" basis. The Association recommends that in addition to BRD's own $500,000 programmed for ongoing brucellosis studies, the other USDI agencies cooperating in this research be required to specifically identify the amount intended for this purpose in their respective budgets, and then transfer that amount to BRD's budget to allow the Division to meet its responsibilities in resolving this issue. The

Association strongly supports this research endeavor, but encourages ongoing communications and cooperation with the involved States.

Emerging disease issues, such as West Nile virus, chronic wasting disease, foot-and-mouth disease, avian vacuolar myelinopathy, and whirling disease represent significant threats to fish and wildlife. The Association strongly recommends that Congress direct BRD to enhance its ability to assist state fish and wildlife management agencies in dealing with disease issues by increasing by an additional $500,000 the funding of the National Wildlife Health Center (NWHC). Further, the Southeastern Cooperative Wildlife Disease Study (SCWDS) provides vital diagnostic services to the States and is the principal coordinating entity between the State fish and wildlife agencies and the U.S. Department of Agriculture with respect to epizootics that can affect both domestic animals and wildlife. The funding of SCWDS has been static since 1987 at $250,000 (minus $18,500 in administrative fees paid to NWHC). Inflationary erosion has reduced the purchasing power of the SCWDS appropriation to approximately 25 percent of its value at inception in 1963 and an ever-expanding workload due to emerging disease issues threatens to compromise the ability of SCWDS to continue to provide all its state and federal supporters with the level of service they have come to expect. The Association strongly recommends that an additional $150,000 be appropriated to BRD for SCWDS to bring the total to $400,000. The Association further strongly encourages BRD to request incremental increases in future years in their budget request to enable adequate funding of SCWDS. Additionally, the Association recommends that BRD increase consultation and cooperation with other wildlife resource, land management, agriculture, and human health agencies to control diseases that threaten the health of the Nation's wildlife.

The BRD was created to serve as the primary research arm for USDI bureaus. This research function was solidified with the transfer of the Cooperative Research Units from the U.S. Fish and wildlife Service to BRD. However, the creation of, and continued expansion of, natural resources research activities in the Cooperative Ecosystem Studies Units (CESU) within the National Park Service has led to duplication of efforts, confusion amongst cooperators, and significant expenditures of limited resources. Because Congress intended that BRD be the research arm of the USDI, the Association recommends Congress direct the Secretary of the Department of the Interior to clearly and explicitly identify the need for CESUs and articulate the distinction between these entities. It is the Association's conclusion that, unless such a distinction can be clearly articulated and the need clearly identified, Congress should ultimately transfer the funding for NPS' CESUs to BRD and have BRD assume the CESU's ecological research function.

The Association strongly supports BRD's requested funding increase of $1 million to expand research on chronic wasting disease, a progressively degenerative and ultimately fatal disease in deer and elk; the $500,000 increase in amphibians research; and $4 million increase to expand invasive species research and begin developing a prototype model for a national early detection network for invasive species in U.S. terrestrial and aquatic ecosystems. At the same time, however, the Association urges BRD and Congress not to diminish funding directed at ongoing research needs that may not, at present, be garnering the kind of public attention as those targeted here, but for which there remain many unanswered questions and the consequences of not continuing the research in earnest has dire consequences.

Prepared Statement of the Interstate Council on Water Policy

The Interstate Council on Water Policy (ICWP), a national organization representing state, local and interstate water resource agencies, would like to take this opportunity to comment on the Administration's proposed budget for the U.S. Geological Survey in Federal fiscal year 2004.

ICWP is pleased to see that, in contrast to the past two years when USGS water data collection programs faced severe cuts, the President's 2004 budget proposes to at least maintain stable funding for the U.S. Geological Survey's Cooperative Water Program and National Streamflow Information Program (NSIP). Stream-gaging has been the hallmark function of the USGS for over a century. Water management involving water supply, water quality protection, flood control and recreation all require information on the flow condition of streams throughout the United States. While the President's budget does hold the funding of these programs steady, it does not keep up with the anticipated four percent increase in costs typically seen annually in the stream-gaging program. Therefore, loss of gages across the country is an inevitable result of this budget.

ICWP has made the long-term stability and security of the nation's stream-gaging program a priority concern. In 2001, ICWP convened four regional workshops across the nation to discuss a national network of stream gages, the purposes for such gages and the financial responsibility of this network. Concurrently, USGS was implementing the first stages of its National Streamflow Information Program to deal with the erosion of national gage coverage in recent years. The ICWP workshops also provided a forum for critiquing USGS's NSIP program. This critique and recommendations for a national stream-gaging network are contained in an ICWP report from February 2002, which is enclosed.

One of the basic tenets of building the national network of stream gages has been the need to shore up the Cooperative Water Program. This Co-op program matches state and local funds with a match from the USGS. The program supports two main functions, data collection, such as stream-gaging, and interpretive studies. Originally, the match between non-federal cooperators and the USGS was 50:50. Over time, increased requests by cooperators for USGS services, coupled with stagnant federal funding has altered the proportion of funding within the Co-op Program, such that, in 2002, there was $65 million of unmatched cooperator funds supporting projects and gages. While there is substantial support for the USGS to continue its NSIP initiative to stabilize the national network of gages, there is an overwhelming need by cooperators to see USGS rebuild its level of commitment to the Cooperative Water Program and the gages supported by that program.

Based on the findings of the ICWP regarding stream-gaging in the country, we would request Congress increase the federal investment in gages managed and maintained under the NSIP and the Cooperative Water Programs. To that end, ICWP requests Congress increase the Administration's proposed 2004 USGS budget to add $2 million for NSIP and $2 million to the Cooperative Water Program, earmarked specifically for supporting stream gages with state and local cooperators. While there are a number of other programs of USGS that deal with hydrologic monitoring, assessment and research, ICWP believes that the paramount concern of state and local water managers is the acquisition of streamflow data. Without the provision of basic data from the nation's rivers and streams, all other water resource information has marginal utility. Increased funding over current levels for the NSIP and Cooperative Water Program remains our first priority, and we believe it should be the priority of the federal government as well.

As a side note, ICWP has become aware of Draft Office of Management and Budget Circular A–76, which effectively limits state and local governments' use of USGS expertise, unless they can demonstrate the absence of a private sector vendor who can perform the same service. We believe this limitation applies to both interpretive studies and basic data collection. Given the over $65 million in unmatched funds directed toward USGS through its Cooperative Water Program, it is small wonder that the private sector would seek to re-direct those resources to engineering and consulting firms. While there may be some opportunity to utilize other investigators for interpretive analysis, ICWP believes that the basic USGS data collection responsibilities should be immune from this type of institutional approach. The value of having USGS, rather than the private sector, collect water data is significant. It ensures quality control by an impartial party, a factor that is often critical in potentially controversial water allocation decisions or litigation. We encourage your committee to examine the intent and effect of the OMB Circular on acquisition of water resource information.

ICWP recognizes ongoing budget struggles aggravated by the hostilities in Iraq and need for Homeland Security, however, we would observe that providing water supplies to communities and industries, warning citizens to stay out of harm's way during flooding events and protecting the nation's waters from the continual threat of pollution are intrinsic to Homeland Security. Those functions of water management must have reliable information upon which to act, thus increased investment in acquiring that hydrologic intelligence is a reasonable and prudent act on the part of the federal government.

ICWP appreciates your consideration of these remarks. Please feel free to contact me at 785–296–6170 or ICWP Executive Director Susan Gilson at 202–218–4133 to continue this discussion.

PREPARED STATEMENT OF THE MINERAL POLICY CENTER

On behalf of the Mineral Policy Center and its members around the country, we appreciate the opportunity to submit testimony on three key hardrock minerals-related issues in the Interior Appropriations bill that are vital to the public interest.

First, we urge the Senate Interior Appropriations Subcommittee to provide full funding for United States Geological Survey (USGS), and in particular, the Mineral Resources Program. Unfortunately, the Administration's fiscal year 2004 budget request would cut funding to an unacceptable level for both of these programs. The President's fiscal year 2004 budget request for the USGS is $895.5 million, a decrease of $24 million or 2.6 percent relative to the fiscal year 2003 enacted level of $919.3 million. The Mineral Resources Program would suffer even further—the President's fiscal year 2004 budget request is $43.4 million, a decrease of $12.4 million or 22.2 percent from the fiscal year 2003 enacted level of $55.8 million. Such cuts would make it extremely difficult for the USGS to produce the same quality and quantity of information that it has in the past, with the result that the public's awareness of such information would also decline. It is critical that the USGS be fully funded, with adequate levels for the Mineral Resources program to research and produce national and international information products.

The USGS and the Mineral Resources Program collect, analyze and provide data that is of vital use to the public and to public interest groups. For example, the Western Region Mineral Resources Project works to assess the mineral resources and mineral related environmental problems of the western region of the United States, focusing on impacts to the environment and public health; sustainability and societal need; the economy and public policy; and more. Other programs, such as the Minerals Information Team, provide key data on the domestic and international supply and demand for minerals via the Minerals Yearbook and Mineral Commodity Summaries. Because of the often devastating impacts that hardrock mining in the United States and internationally can have on communities, water supplies, habitat and other crucial natural resources, not to mention taxpayers and local economies, such information is invaluable to for the public.

It is difficult to overstate the importance of the Mineral Resources Program. As identified by the National Academy of Sciences and others, those charged with administering U.S. minerals resources—the Bureau of Land Management and the Forest Service—inadequately document and/or publicize their mineral management activities and the consequences of mineral activity under their management. If it weren't for the USGS Mineral Resources Program, the public would know little about mineral activity in the United States.

Additionally, the international aspect of the Mineral Resources Program must not be overlooked—many hardrock mining companies are active both here and abroad, and many are also foreign-owned. Data on mining overseas can directly impact the situation on the ground here.

The USGS and its programs are the only source of minerals information that is both readily available and affordable to ordinary citizens and public interest groups. As such, this remains one of the only ways that public interest groups and concerned members of the public can check on the accuracy of information disseminated by the hardrock mining industry itself.

In addition to full funding for the USGS, Mineral Policy Center highly supports the retention in the Interior Appropriations bill placing a moratorium on any new patent applications under the general mining laws. This provision has been reinstated every year since 1994 and represents sound public policy. Prior to the enactment of this moratorium, mining companies acting under the 1872 Mining Law purchased public land equal in size to the state of Connecticut, containing minerals worth more than $245 billion. In 1994, the Canadian company Barrick Resources purchased the Goldstrike Mine in Nevada, which is worth $10 billion, for about $9,765—literally a millionth of its worth. Such a giveaway of public resources should never be allowed to occur again.

Finally, we would like to praise the Interior Appropriations Subcommittee for its past efforts to keep many anti-environmental riders out of the bill and urge that this bill be kept clean of any such anti-environmental provisions this year.

Thank you again for the opportunity to submit testimony.

PREPARED STATEMENT OF THE NATIONAL COUNCIL FOR SCIENCE AND THE ENVIRONMENT

SUMMARY

The National Council for Science and the Environment (NCSE) urges Congress to appropriate $959.7 million for the U.S. Geological Survey in fiscal year 2004, an increase of 4.4 percent over the fiscal year 2003 enacted level of $919.3 million (Table 1). Our national interests will be served if Congress provides adequate resources for the USGS to fulfill its mission, including its critical role in homeland security.

NCSE supports increased federal investment in USGS programs that underpin responsible natural resource stewardship, improve resilience to natural and human-induced hazards, and contribute to the long-term health, security, and prosperity of the nation. A 4.4 percent increase in the USGS budget in fiscal year 2004 would provide new funding to support the agency's responsibilities related to homeland security and other priorities and support an adjustment that accounts for inflation and uncontrollable costs.

NCSE is a nonprofit, nonpartisan organization that has been working since 1990 to improve the scientific basis for environmental decisionmaking. Our work is endorsed by nearly 500 organizations, ranging from the U.S. Chamber of Commerce to the Sierra Club, including the National Association of Attorneys General, National Association of Counties, some 300 colleges and universities, and more than 80 scientific and professional societies. As a neutral science-based organization, NCSE promotes science and its relationship with decisionmaking but does not take positions on environmental issues themselves.

The National Council for Science and the Environment thanks the Senate Appropriations Subcommittee on Interior and Related Agencies for the opportunity to provide testimony on the U.S. Geological Survey budget request for fiscal year 2004.

FEDERAL INVESTMENTS IN R&D

Federal investments in R&D and science education are essential to the future well-being and prosperity of the nation and deserve the highest priority of Congress. The long-term prosperity of the nation and the maintenance of our quality of life depend on a steady and growing commitment of federal resources to science and technology.

The U.S. Geological Survey is a critical component of the nation's R&D portfolio. NCSE supports the continued vitality of the unique combination of biological, geological, hydrological and mapping programs of the U.S. Geological Survey. The USGS provides independent, high-quality data, information, research support and assessments needed by federal, state, local and tribal policymakers, resource and emergency managers, engineers and planners, researchers and educators and the public. NCSE supports increased federal investment in USGS programs that underpin responsible natural resource stewardship, improve resilience to natural and human-induced hazards, and contribute to the long-term health, security and prosperity of the nation.

HOMELAND SECURITY AND THE U.S. GEOLOGICAL SURVEY

The USGS has tremendous strength in areas that are critical to homeland security, such as protecting water resources and producing digital maps that are needed for assessing terrorist threats and responding to terrorist attacks. The significance of USGS research to homeland security is reflected by the fact that its report on "Source-Area Characteristics of Large Public Surface-Water Supplies in the Coterminous United States," has been withdrawn from approximately 300 federal depositories. FBI agents visited several libraries to ensure that the document was truly removed from circulation.

After September 11, the USGS provided more than 100,000 topographic maps as well as digital geospatial information and Landsat images to emergency response, law enforcement, intelligence, and defense agencies. The USGS has produced a set of 55,000 topographic maps that provides the nation's only comprehensive coverage of the nation's infrastructure, including highways, bridges, dams, power plants, airports, railroads, and major buildings. The average age of the topographic maps is 23 years. The USGS National Map program would bring this asset into the 21st century. Accelerated investments in the National Map—which involves partnerships with federal, state, and local agencies and the private sector—will pay dividends to homeland security, economic development, natural resource management, and many other national needs.

Some of the proposed cuts in the USGS fiscal year 2004 budget request are in areas related to homeland security, such as topographic mapping and research on the dispersal of toxic substances in lakes, streams, and aquifers. At a time when the federal government is allocating tens of billions of dollars for homeland security, we urge Congress to explore the role of the USGS in homeland security and counterterrorism and to provide full funding for its responsibilities in these critical areas.

U.S. GEOLOGICAL SURVEY BUDGET REQUEST FOR FISCAL YEAR 2004

The National Council for Science and the Environment urges Congress to appropriate $959.7 million for the U.S. Geological Survey in fiscal year 2004, an increase

of 4.4 percent over the fiscal year 2003 enacted level of $919.3 million. Our national interests will be served if Congress provides adequate resources for the USGS to fulfill its mission. A 4.4 percent increase in the USGS budget in fiscal year 2004 would provide new funding to support the agency's responsibilities related to homeland security and other priorities as well as an adjustment that accounts for inflation and uncontrollable costs.

The President's fiscal year 2004 budget request would cut nearly every line item in the USGS budget relative to the fiscal year 2003 enacted level (Table 1). The budget request would cut funding for Biological Research by 0.6 percent, Geologic Hazards and Resources by 5.0 percent, Mapping, Remote Sensing and Geographic Investigations by 9.6 percent, and Water Resources by 3.4 percent. Total funding for the USGS would decrease by $24 million or 2.6 percent.

The proposed cuts would have negative impacts related to homeland security; natural hazards mitigation; water, energy, and mineral resources; invasive species; the national spatial data infrastructure; and other areas. For example, the Toxic Substances Hydrology program would receive a disproportionate cut of 17.7 percent. USGS water programs are essential for maintaining safe and secure water resources for citizens of the United States.

NCSE greatly appreciates the Senate Appropriations Subcommittee on Interior and Related Agencies' sustained support for the U.S. Geological Survey. We are especially grateful for the Subcommittee's leadership in restoring past cuts in the USGS budget. Thank you very much for your interest in improving the scientific basis for environmental decisionmaking.

TABLE 1.—U.S. GEOLOGICAL SURVEY APPROPRIATIONS

[Budget authority in millions of dollars]

USGS Activity/Subactivity	Budget Authority			Change from fiscal year 2003 enacted to fiscal year 2004 request	
	Fiscal year actual	Fiscal year enacted	Fiscal year 2004 request	Amount	Percent
Mapping, Remote Sensing, & Geog. Investigations	$133.1	$133.2	$120.5	−$12.7	−9.6
Cooperative Topographic Mapping	81.0	81.1	74.1	−7.0	−8.6
Land Remote Sensing	35.8	35.7	34.0	−1.7	−4.7
Geographic Analysis and Monitoring	16.3	16.4	12.3	−4.0	−24.7
Geologic Hazards, Resources, and Processes	232.6	233.2	221.6	−11.6	−5.0
Geologic Hazard Assessments	74.9	75.0	72.8	−2.2	−3.0
Geologic Landscape & Coastal Assessments	77.9	78.7	79.4	0.7	0.9
Geologic Resource Assessment	79.7	79.5	69.4	−10.1	−12.7
Water Resources Investigations	206.4	207.2	200.1	−7.1	−3.4
Hydrologic Monitoring, Assessm'ts & Research	136.1	136.8	135.6	−1.2	−0.9
Cooperative Water Program	64.3	64.4	64.5	0.1	0.2
Water Resources Research Act Program	6.0	6.0	0.0	−6.0	−100.0
Biological Research	166.2	169.8	168.9	−0.9	−0.6
Biological Research and Monitoring	133.4	132.1	134.0	1.9	1.4
Biological Information Management & Delivery	18.9	22.8	20.7	−2.1	−9.2
Cooperative Research Units	14.0	14.9	14.1	−0.8	−5.1
Science Support	86.2	85.2	91.5	6.4	7.5
Facilities	89.4	90.8	92.9	2.2	2.4
Total	913.9	919.3	895.5	−23.8	−2.6

Source: "The Interior in Brief Fiscal Year 2004" and USGS.

[1] Included in the fiscal year 2002 Actual Column are: enacted funding ($914.0 million); Across-The-Board (ATB) reduction (−$0.9 million); and transfer to Water for Cyprus Work ($0.8 million).

[2] Included in the fiscal year 2003 Enacted column are: enacted funding ($925.3 million) and ATB reduction (−$6.0 million)

Prepared Statement of the National Institutes for Water Resources

I am Robert Ward, President of the National Institutes for Water Resources and Director of the Colorado Water Resources Research Institute at Colorado State University. My testimony requests the Subcommittee to provide $8,775,000 to the U.S. Geological Survey for the state water resources research institutes program.

First, I would like to thank you and this Subcommittee for the strong support you have given to the state water resources research institutes program in the past. You have recognized the importance of local, state and federal government agencies cooperating with universities to produce new the knowledge and understanding and

also well trained and educated water professionals who will design and operate our increasingly sophisticated water systems in the future. In addition, I want to acknowledge the leading role you and your colleagues have played in efforts to ensure that the U.S. Geological Survey provides the science needed to manage the nation's natural resources.

As you know, Public Law 106–374, passed in 2000, reauthorizes appropriations for The Water Resources Research Act through fiscal year 2005. In passing this reauthorization, Congress recognized that the state water resources research institutes are meeting their mission objectives as outlined in the Water Resources Research Act.

REQUEST

The National Institutes for Water Resources respectfully request the addition of $8,775,000 in the U.S. Geological Survey's fiscal year 2004 budget for the state water resources research institutes program. This recommendation is based on the following components:

—$7,000,000 in base grants for the water resources research institutes as authorized by Section 104(b) of the Water Resources Research Act, including state-based competitive grants;

—$1,500,000 to support activities authorized by section 104(g) of the Act, a national competitive grants program, and

—$275,000 for program administration.

This recommendation would provide a $125,000 base grant to support the institutes that are located at land-grant universities in each of the states, plus territories. Currently, this base grant is approximately $84,000. In addition, it would provide for a modest increase in the highly popular national competitive grants program.

JUSTIFICATION

Homeland security, drought, salinity control, TMDLs, and source water protection are a few of the difficult water-related issues facing communities across the U.S. today. Each issue has a scientific foundation upon which local communities and state and federal agencies base water management decisions. As our population grows and the concern about environmental quality continues, unbiased knowledge and insight are demanded to insure fair and equitable decision-making. Furthermore, as new water-related problems emerge (such as those surrounding forest fire cleanup in the West), gaps in the science that underpins management decision-making are exposed. This, in turn, can greatly complicate the decision-making process for not only water managers, but also, in the case of the forest fires, forest managers. The term "sound science" is often used to describe the sought after knowledge and insight.

For more than 37 years the 54 state water resources research institutes have served to link university scientists working in the water quality and water quantity arenas with governments, business and industry, and citizens in efforts to produce sound science to assist in resolving difficult water issues at the local, state and national levels. In addition, the water resources research institutes, in many cases, are the means by which the search for new knowledge is joined, in a collaborative manner, by local, state, federal and university managers and scientists. The state water resources institutes represent "sound science", networked among levels of government and universities.

The water resources research institute program is constantly striving for efficiency in research administration and collaboration. In cooperation with the U.S. Geological Survey (which administers the water resources research institute program), the water institutes are developing and implementing modern electronic information technology to manage their nationally networked water research programs. Proposals for the national competition are submitted electronically, peer reviewed electronically (by a list of scientists from across the United States), and reported electronically. The water research management system is now being employed by some of the state institutes to manage state-based water research competitions. The resulting database of current research plans and activities, as well as past results, are increasingly being made readily available to the public and professionals alike via the internet. Electronic administration of water research assists in fostering research collaboration in ways not dreamed of just 10 years ago. This is but one example of the value of a national network of water institutes working together with local, state and federal partners, particularly the U.S. Geological Survey.

State water resources research institutes take the relatively modest amount of federal funding appropriated by this Subcommittee, leverage it 2:1 with state matching funds and funding from other sources, including local governments, and use it to put university scientists to work finding solutions to the most pressing local and state water problems that are of national importance. In fiscal year 2002, the institutes generated about $22.70 in support for each federal dollar appropriated to them through this program and put three-quarters of every dollar they received into research projects. The remainder supports information transfer, training activities, etc. This program does not provide any indirect costs to universities, unlike most federal research programs. All of the funding goes to support the goals set forth in the Water Resources Research Act.

Federal funding for the water resources research institute program is therefore the catalyst that moves states to invest in university-based research to address their own water management issues. The added benefit is that often research to address state and local problems helps solve problems that are of regional and national importance, as well. Perhaps most important, the federal funding provides the driving force of collaboration in water research and education among local, state, federal and university water professionals.

How do water resources research institutes know they are working on the most pressing water issues? Each institute brings together a local advisory panel typically consisting of local, state, and federal agency officials, representatives of business and industry, and representative of non-governmental organizations. These panels identify the most important water problems facing their states, establish priorities for research, and rank proposals as to relevance.

The work of the water resources research institutes does not stop with identifying needs and arranging for research to address the needs. Once research is completed, institutes also see that the results are transferred to federal, state, and local agencies and the general public via publication of reports; newsletters; presentation of seminars, workshops and conferences; maintenance of Internet sites, and one-on-one contact with agency personnel. Many institutes collaborate directly with Cooperative Extension in distributing water research findings.

Institutes also help educate future water scientists. Quite often a significant portion of a research grant goes to pay part of the stipend of a master's or PhD student studying in such critical fields as watershed hydrology, hydrogeology, aquatic ecology, toxicology, sanitary engineering, and water resources engineering. In fiscal year 2002, institutes provided research support for more than 1,165 students. As you know, our scientific workforce is aging and a mass exodus through retirements is expected in government, academia and industry over the next decade. Supporting the education of new scientists is a critical role of institutes that should be expanded.

In fiscal year 2002, water resources research institutes across the nation funded 198 research projects from their base grants and 936 projects from additional research funds. Typically, institutes can fund only one of every four or five proposals they receive in response to solicitations based on their established priorities.

The state-based water research collaboration focus of the core funding is complimented by a national water research competition referred to as the national competitive grants program (or Section 104(g) grants). The national competitive grants program is administered by USGS in collaboration with the National Institutes for Water Resources. Priorities for this program are set jointly by USGS and the institutes. This program received 75 proposals in fiscal year 2002 and was able to fund only eight. Here again, regional and national research needs are not being met. For instance, in much of the Southeast we are suffering from a 3-year drought that some are now predicting to stretch out another 7 years. There are many unanswered questions about the effects of this drought not only on regional water supplies but also on water quality and habitat. We should already be planning how to respond to the potential for long-term drought, but there are many gaps in the information base. An increase in the competitive grants funding could catalyze additional research on regional problems such as effects of drought in the same way that an increase in base grants would catalyze research on local and state water resources problems.

There are many pressing needs for new knowledge in the water resources area. For 37 years, the Water Resources Research Institute program has been linking university scientists to government, business and citizens to provide new knowledge and help solve problems. This is a productive, useful, and valuable partnership that should be continued and expanded.

Mr. Chairman, basing water quality and water quantity management on sound science is worthy goal. But, we have to invest to produce sound science. Congress must invest to catalyze states and states must invest to address their own issues.

You can rest assured that if you do your part, the water resources research institutes will carry the challenge to state and local governments, business and industry, foundations and environmental groups to invest in sound science for water resources management. The National Institutes for Water Resources respectfully recommend this Subcommittee provide $8,775,000 to the USGS for the state water resources research institutes program authorized by the Water Resources Research Act. Thank you.

PREPARED STATEMENT OF THE WILDLIFE MANAGEMENT INSTITUTE

The Wildlife Management Institute (WMI) is submitting these comments regarding the fiscal year 2004 proposed budget for the U.S. Geological Survey's Biological Resources Division (BRD). WMI is a private, non-profit scientific and educational organization dedicated to the conservation of wildlife through wise stewardship and management of species and habitats. WMI consists of highly respected wildlife professionals each with considerable experience with wildlife and natural resources agencies prior to joining WMI. Our comments include recommendations for the following increases over the Administration's budget request: $1.4 million for Cooperative Fish and Wildlife Research Units; $1.9 million for uncontrollables; $2.8 million for the Fire Science Initiative; $500,000 for the National Wildlife Health Center; $150,000 for the Southeastern Cooperative Wildlife Disease Study; and $3 million for the DOI Landscape Initiative.

The Cooperative Fish and Wildlife Research Units (CRUs) are fundamental to producing both the natural resources scientists needed for the future and the science information needed by federal and state land management agencies. In recent years, Congress has recognized the need to support appropriations to fully staff the CRUs, and provided consistent increases in funding to fill vacant positions. CRUs are unique in that over 90 percent of their budget is for salaries. However, OMB and Department of Interior budget guidance assumes that 50 percent of budgets are salaries. This discrepancy, added to the budget guidance directing BRD to absorb more than half of the uncontrollables, will result in significant shifts in costs just to cover salaries, and will again jeopardize the ability of CRUs to fill vacancies. This is exactly the situation Congress attempted to correct in the recent past by adding additional funding to permit full staffing of the CRUs. In addition, a new CRU was established in Nebraska in fiscal year 2003, with $400,000 appropriated to fund that Unit. The dollars to fund that Unit again in fiscal year 2004 are absent from the budget request. WMI recommends that Congress add $900,000 to the CRU budget to provide the $400,000 needed for continued funding of the new Nebraska CRU and an additional $500,000 to fully cover the uncontrollables of CRUs and correct the discrepancy between actual salary costs and those assumed by OMB and DOI budget guidelines.

Three states have fisheries units only, and 12 states have neither fisheries nor wildlife Units. Most states have expressed an interest in entering into a partnership with BRD, a state university, the state fish and wildlife agency, and the Wildlife Management Institute to bring one or both CRUs to their state. An initiative is underway by WMI, BRD, state fish and wildlife agencies and other stakeholders to review the Research Unit program and to develop recommendations to ensure that critical research needs are met in the future. We recommend that Congress direct BRD to consider these recommendations and in future years to develop appropriate budget requests consistent with those recommendations.

Since fiscal year 1994, the base funding level for BRD has lagged more than $30 million behind the rate of inflation, at a time when real increases are needed to meet the basic research and information needs of the natural resources community. We are especially concerned that BRD is now being asked to absorb almost $1.9 million out of $3.4 million in uncontrollable costs. This will force significant reductions in operational funds for critical programs. WMI recommends that Congress fully fund uncontrollable costs by adding $1.9 million for uncontrollables.

We are disappointed by the proposed reduction in support for the long term Fire Science initiative. These fire ecology studies are collaborative studies with the U.S. Fish and Wildlife Service, National Park Service, and Bureau of Land Management and are needed to enhance understanding of the effects of fire and landscape recovery, and to improve our ability to manage burned landscapes. WMI recommends that $2.8 million be restored by Congress for this effort.

WMI strongly supports the proposed budget of $1.25 million for studies of Chronic Wasting Disease (CWD) and the $4.05 million proposed budget for studies of invasive species. Control of CWD is a major concern to state and federal agencies and to sportsmen, and will continue to be for some years. We are also concerned

about the spread of West Nile Virus (WNV) and its impacts on bird species throughout the United States. WMI recommends that Congress fully fund the requested $1.25 million for CWD and $4.05 million for invasive species, and we further recommend that Congress add an additional $500,000 to the funding of the National Wildlife Health Center and an additional $150,000 to the Southeastern Cooperative Wildlife Disease Study to conduct the research needed to cope with CWD, WNV, and other diseases.

WMI also is concerned about special research needs of other DOI agencies, and BRD's ability to meet those needs. The Science on the DOI Landscape initiative proposed budget includes $1.3 million for biological research programs to meet regional priorities designated by the DOI Bureaus. WMI recommends that Congress increase this research support to $3 million for biological programs, and that Congress direct that research should include sage grouse conservation needs, wildlife impacts of energy exploration and development, and the population and habitat surveys necessary to support waterfowl seasons and conservation of other priority bird species.

Finally, I would just reiterate our concerns that the Cooperative Fish and Wildlife Research Units be fully funded and that 100 percent of uncontrollable costs be included in that funding. These Units have a lengthy history of partnerships and successes, and are vital to states and others for providing answers needed for management of our nation's fish and wildlife resources.

Thank you for considering our comments. We look forward to working with you and your staff throughout the appropriations process. If you or your staff would like to discuss our recommendations further, please contact me or Terry Riley, Director of Conservation, at (202) 371–1808.

PREPARED STATEMENT OF THE INTERSTATE MINING COMPACT COMMISSION

My name is Gregory E. Conrad and I am Executive Director of the Interstate Mining Compact Commission. I appreciate the opportunity to present this statement to the Subcommittee regarding the views of the Compact's member states concerning the fiscal year 2004 Budget Request for the Office of Surface Mining (OSM) within the U.S. Department of the Interior. In its proposed budget, OSM is requesting $57.6 million to fund Title V grants to states and Indian tribes for the implementation of their regulatory programs and $126.5 million for state and tribal Title IV abandoned mine land (AML) program grants. Our statement will address both of these budgeted items.

The Compact is comprised of 20 states that together produce some 60 percent of the Nation's coal as well as important noncoal minerals. Participation in the Compact is gained through the enactment of legislation by the member states authorizing their entry into the Compact and they are represented by their respective Governors who serve as Commissioners. The Compact's purposes are to advance the protection and restoration of land, water and other resources affected by mining through the encouragement of programs in each of the party states that will achieve comparable results in protecting, conserving and improving the usefulness of natural resources and to assist in achieving and maintaining an efficient, productive and economically viable mining industry.

Over the past several years, the Commission has alerted the Subcommittee to a potentially debilitating trend in Title V grant funding. As you know, these grants support the implementation of state regulatory programs under the Surface Mining Control and Reclamation Act (SMCRA) and as such are essential to the full and effective operation of those programs. Ever since fiscal year 1995, the appropriation for these grants has either decreased or remained stagnant. Following an encouraging increase by Congress in fiscal year 2001, OSM has failed to provide any increase for Title V grants for fiscal year 2004, despite the states' projected need for additional moneys to meet actual program expenses.

Each year, OSM requests and receives increases in its own budget to meet "uncontrollable costs" (such as workers' compensation, unemployment compensation, retirement costs and pay rate increases) and "fixed overhead costs". In estimating its projected program operating costs, the states face these same annual increases, in addition to the costs associated with the escalating cost of travel and replacement of equipment (especially vehicles and computers). And yet, a trend has emerged over recent federal fiscal years where states have received no significant increases in the grants that are intended to support their programs and address inflationary concerns, with the notable exception of fiscal year 2001 when the states received a much-needed and well justified $3 million increase over OSM's proposed amount.

For fiscal year 2004, the states (and tribes) have projected a need for $64.4 million for Title V grants based on a new and improved budget forecasting methodology.

This represents a well-documented and well-justified increase of $3 million over our request of last year ($61.3 million) and yet we are faced with an OSM proposal that does not provide for any increase in funding for Title V grants in fiscal year 2004. This is very discouraging and reflects either a lack of appreciation for the states' Title V funding needs or a misunderstanding of the Title V dilemma facing the states, and ultimately, OSM.

It is essential that the states be made whole in fiscal year 2004 and thus we are requesting Congress to appropriate the full amount requested by the states and tribes of $64.4 million. If this does not occur, it likely will result in the classic "SMCRA Catch-22" situation: where there is inadequate funding to support state programs, some states will be faced with either turning all or portions of their programs back to OSM or, in other cases, will face lawsuits from environmental groups for failing to fulfill mandatory duties in an effective manner, not unlike the present situation in West Virginia and what previously occurred in Kentucky and Oklahoma. Of course, where a state does, in fact, turn all or part of its Title V program over to OSM (or if OSM forces this issue based on an OSM determination of ineffective state program implementation), the state would be ineligible for Title IV funds to reclaim abandoned mine lands. This would be the height of irony, since the states have recently worked diligently to convince the Interior Department, OMB and Congress about the need to increase funding for state Title IV AML work.

OSM's own Budget Justification Document acknowledges the likely outcome should states not receive adequate funding:

"Primacy States have the most direct and critical responsibilities for conducting regulatory operations to minimize the impact of coal extraction operations on people and the environment. The States have the unique capabilities and knowledge to regulate the lands within their borders. Providing a 50 percent match of Federal funds to primacy States in the form of Administration and Enforcement (A&E) Grants results in the highest benefit and the lowest cost to the Federal Government. If a State were to relinquish primacy, OSM would have to hire sufficient numbers and types of Federal employees to implement the program. The cost to the Federal Government would be significantly higher."——[OSM Budget Justification Document, "Environmental Protection," page 65.]

Some may argue that there are at least a handful of states who either are unable to meet the 50 percent state match or are unable to spend all of the federal funds allocated to them in a particular grant year. This merely reflects the reality of the significant fiscal challenges facing these states as they attempt to balance record deficits with their desire and intent to continue operating effective state regulatory programs. Rather than focus on the occasional inability to match federal dollars or the limited deobligation of year-end moneys, we believe it is more critical to investigate the potential mechanisms for assisting the states to meet their financial requirements, either through increased overall grant funding (as we propose) or through adjustments to the current funding formula. This will become increasingly important as the federal government is faced with the dilemma of either securing the necessary funding for state programs or implementing those programs (or portions thereof) themselves—at significantly higher costs.

Suffice it to say that should our proposed increase not be approved, one of the more distressing outcomes resulting from inadequate Title V grant funding is that it will pit the states and OSM against one another as they compete for limited funds. Given the commitment of the states to their respective regulatory programs, and their role as front-line regulatory authorities under SMCRA, it is impossible for the states not to urge full funding of their programs. We believe that there should be a way for Congress to fund both OSM and the states, thereby assuring that the mandates of SMCRA are met.

For years now, we have tried to impress upon OSM and your Subcommittee the value and importance of the states' estimates of program costs and the necessity of meeting the states' funding needs. Under OSM's proposed fiscal year 2004 budget, it will require all of the states' fiscal ingenuity and belt-tightening efforts, together with some difficult trade-offs, to manage our programs and resources in such a way that we can achieve the same level of performance that has been expected from us in the past. We are especially concerned about the impacts of this funding crisis on OSM's evaluation of state programs pursuant to federal oversight. How ironic it would be for the states to receive something less than the high marks we have consistently received from OSM due to insufficient grant funding.

With regard to funding for state Title IV Abandoned Mine Land (AML) program grants, OSM's proposed decrease of $17 million from last year's amount of $144 million for non-Clean Streams/non-emergency state grants is very disheartening. In recent years, OSM has been working with the states and Congress toward full funding

for the AML program, whereby the amount of receipts paid into the Fund from reclamation fees by coal operators each year is appropriated and then allocated to the states and tribes to address the myriad problems remaining in the AML inventory. Last year we saw the President's budget propose a $17 million reduction for state AML grants, which Congress ultimately (and thankfully) restored. This year, we see a continued attempt to reverse the trend once again—without justification or rational explanation. While we are well aware of the Administration's efforts to reduce the overall budget by some percentage in order to meet other priorities related to Homeland Security and the War on Terrorism, this is not the time or place to exercise such reductions and back track on the promise to provide adequate funding to the states to address AML problems.

As the states recently reiterated to Congressional staff, OSM and OMB, significant progress has been made by the states in remediating outstanding AML problems and sites. As of September 30, 2002, the states have obligated 93 percent of all funds received and $1.3 billion worth of priority 1 and 2 problems have been reclaimed. Another $319 million worth of priority 3 problems have been funded or completed and $309 million worth of noncoal problems have been funded or reclaimed. Of the $3.2 billion provided to the states in Title IV grant moneys, $2.4 billion has been used for construction or project costs and only an average of 15 percent of Title IV moneys were spent on administrative costs. However, 45 percent of priority 1 and 2 sites in the AML inventory remain to be reclaimed and the cost of completing this reclamation now approaches $6.6 billion. We would be pleased to present the Subcommittee with more information and analysis regarding these figures.

Suffice it to say that major AML problems remain to be addressed and are only getting more expensive, and in some cases more extensive, with the passage of time due to inflation, deterioration of the sites and urban sprawl. The health and safety of the public is also increasingly at risk. It is absolutely critical to release additional moneys from the AML Trust Fund now in order to allow the states to address these problems today. The states are prepared to deliver the expected benefits and services to our customers under the Title IV AML program in a cost-effective and efficient manner and welcome the new opportunities presented by increased AML funding. In this regard, we are very encouraged by OSM's statement of intent in its proposed budget to support extension of the fee collection authority under Title IV of SMCRA, as well as its intent to propose a mechanism whereby more receipts from the Fund are targeted to abandoned mine reclamation, thus increasing the pace of the overall reclamation program. This is consistent with the position we have been advocating for the past several years. We look forward to working with OSM, the Congress and other affected parties to seek the expeditious reauthorization of fee collection authority prior to the expiration date of September 30, 2004. Please see the attached resolution recently adopted by IMCC, which addresses AML reauthorization.

In the meantime, we urge the Subcommittee to continue its commitment to full funding for the AML program and to increase OSM's budget by $37 million—a $20 million increase for state Title IV (non-Clean Streams/non-emergency) grants over last years's amount of $143 million, for a total of $163 million for state/tribal grants in fiscal year 2004. This amount would allow "minimum program" states to be funded at $2 million, the authorized allocation level established by Congress for these states in 1990, which we again urge the Subcommittee to restore. Given the fact that receipts into the AML Fund this year should average $285 million (exclusive of interest), we believe the suggested increase is a modest and appropriate one, and is clearly justified given the amount of AML work remaining to be done.

We also urge the Subcommittee to support adequate funding for OSM's training program, including moneys for state travel. These programs are central to the effective implementation of state regulatory programs as they provide necessary training and continuing education for state agency personnel. Additionally, the states are key players in OSM's training program, providing instructors for many of the courses. IMCC also urges the Subcommittee to support adequate funding for TIPS and SOAP, two programs that directly benefit the states by providing needed upgrades to computer software and hardware and assistance to small operators in permit preparation.

Finally, IMCC requests continuing support for the Acid Draining Technology Initiative (ADTI), a nationwide technology development program with a guiding principle of building consensus among Federal and State regulatory agencies, universities and the coal industry to predict and remediate acid drainage from active and inactive coal and metal mines. This collaborative effort receives funding and other support from industry and several federal agencies for specific projects. OSM has provided ADTI $200,000 for the last three fiscal years, which has been a consistent

source of funding for activities related to acid mine drainage from coal mines and has been instrumental in accomplishing ADTI's goals. If each of the Interior Department agencies involved (OSM, BLM, and USGS) could commit $200,000 toward ADTI, together with other federal agencies (such as EPA, DOE and the Corps of Engineers), about $1 million would be available to support the work of this vital initiative.

In conclusion, we want to reiterate that adequate Title V grants are the lifeblood of effective state regulatory programs. Should states be unable to operate these programs due to funding constraints, the federal government will be faced with the burden of operating regulatory programs at a substantially increased cost (generally 30 to 50 percent more). Further, without Title V programs in place, states are unable to access Title IV funds. In the final analysis, it behooves everyone—OSM, the Congress and the states—to commit the resources necessary to assure strong and effective state programs that will achieve the purposes and objectives of SMCRA, thereby protecting the environment where active mining operations occur and enhancing the environment through remediation of past problems associated with abandoned mines.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF ABANDONED MINE LAND PROGRAMS

My name is Murray J. Balk, and I administer the State of Kansas' Abandoned Mine Land (AML) Program as well as being this years' President of the National Association of Abandoned Mine Land Programs (Association). In my capacity as President of the Association, I would like to thank you for allowing me the opportunity to submit this statement regarding the views of the Association concerning the U.S. Department of Interior, Office of Surface Mining's (OSM) fiscal year 2004 Budget Request to this subcommittee.

The Association is a 501(c)(6) tax exempt organization made up of 30 states and tribes, all with a history of coal mining and coal mine related hazards. The states and tribes within the organization administer Abandoned Mine Land Programs, funded and oversighted by OSM, as provided for in Title IV of the Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87). The mission statement of the Association is: (1) to provide a forum to address current issues, discuss common problems, and share new technologies regarding the reclamation of abandoned mine lands, (2) foster positive and productive relationships between the states and tribes represented by the Association and the federal government, (3) serve as an effective, unified voice when presenting states'/tribes' common viewpoints, and (4) coordinate, cooperate, and communicate with the Interstate Mining Compact Commission, Western Interstate Energy Board, and all other organizations dedicated to the wise use and restoration of our natural resources.

The 30 Abandoned Mine Land Programs represented by the Association have accomplished some very impressive reclamation which has remediated serious hazards created by past coal mining. The states and tribes are abating these hazards in a very cost effective and efficient manner. Information presented to the Association by OSM indicates that the states and tribes have obtained a 93 percent obligation rate as of September 30, 2002. This is an outstanding number considering some of the states and tribes do not begin their grant year until July 1, which allows them only 3 months to get the funds encumbered.

This means that the states and tribes are utilizing the funding provided by OSM in a very timely manner, and they have a number of projects engineered, and ready to implement as soon as funding is available. Besides having an outstanding obligation rate, the states and tribes are doing a very good job of administering their programs by keeping their administrative costs to a minimum. Of the $3.2 billion given to the States and Tribes to conduct Title IV reclamation, only 15 percent of the these funds have been used to administer these AML Programs. This indicates that the states and tribes are very successful at running their programs without being top heavy in the area of administration. With a 93 percent obligation rate and only 15 percent of funds going to administration, it is apparent that the states and tribes are quite capable of properly utilizing the funds given to them through SMCRA.

What has been accomplished to date has made our country a safer place, but due to the magnitude of the problems associated with past coal mining, much more is needed. The following is a nationwide list as of March 28, 2003, of Priority 1 and 2 inventory problems that still need to be remediated including their cost:

Problem type	Units [1]	Costs
Clogged Streams (miles)	1,021	$59,016,880
Clogged Stream Lands (acres)	26,883	201,931,496
Dangerous Highwalls (feet)	4,335,947	665,168,960
Dangerous Impoundments (count)	811	15,735,570
Dangerous Piles & Embankments (acres)	9,017	267,921,479
Dangerous Slides (acres)	4,649	69,089,199
Gases: Hazardous/Explosive (count)	86	2,775,001
Hazardous Equipment/Facilities (count)	2,485	24,735,001
Hazardous Water Body (count)	1,062	62,516,077
Industrial/Residential Waste (acres)	387	9,897,797
Portals (count)	8,925	29,697,601
Polluted Water: Agricultural/Industrial (count)	567	99,611,275
Polluted Water: Human Consumption (count)	4,798	3,718,081,865
Subsidence (acres)	9,040	484,626,549
Surface Burning (acres)	475	19,909,448
Underground Mine Fires (acres)	4,198	857,501,301
Vertical Openings (count)	7,306	47,619,380
Total costs		6,635,834,879

[1] Count indicates individual incidences.

As can be seen from these figures taken directly from AMLIS, there is over $6.6 billion in Priority 1 and 2 coal mine hazards left to remediate before we can say our work is complete. This undeniably demonstrates that there is much left to be done to correct the problems caused by past coal mining. Because of the extreme hazards associated with Priority 1 and 2 AML problems, the Association would encourage the committee to release additional funds so the States and Tribes can accelerate their AML work, helping to protect the population of this country from the hazards created by past coal mining.

The Association encourages the committee to adopt a Title IV budget for non-Clean Streams/non-Emergency AML grants of $163 million for fiscal year 2004, an increase of $20 million over last years budget of $143 million. A portion of this increase, $5 million, could then be used to fund the "underfunded states" (or minimum program states) at the minimum level of $2 million, as promised by Congress and provided for in Section 402 (g)(8) of SMCRA. The remaining $15 million could then be distributed among the remaining states to help alleviate more hazards associated with Priority 1 and 2 AML problems. The projected receipts collected through SMCRA entering the AML Fund this year, exclusive of interest, will be approximately $285 million. This amount, along with the $1.4 billion which remains unappropriated in the AML Fund, will more than offset the amount requested, which is a very valid request considering the amount of AML work that remains to be done in this country.

The trend over the past few years has been to give the AML Programs less and less funding. Since fiscal year 2001, which was funded at $161,863,000, until fiscal year 2003 which was funded at $141,991,721, we have seen around a $20 million decrease in the amount of funding used for non-Clean Streams/non-Emergency AML projects. It is unreasonable to believe that the States and Tribes can do more with the same or even less funding. The States and Tribes are running very efficient and effective AML Programs, but by decreasing funding or even leaving funding at the status quo, we are jeopardizing the mission of the AML Programs and the mandate of Congress to abate these hazards as provided through SMCRA. Unless Congress acts quickly to remediate these hazards it will cost even more in the future. Environmental conditions at these AML sites continue to deteriorate over time, which means increased costs to complete AML construction projects. Highwalls continually erode closer to streets and homes, roofs on underground mines deteriorate further causing more roof collapses, and as mine fires burn, they cover larger and larger areas. These are just a few examples of how time and weather related environmental degradation create AML hazards that are more costly to abate. Also, inflation affects the cost of reclamation making it more costly to abate AML hazards as we postpone work on these AML sites. The Association would urge the committee to act now, before these hazardous AML sites become more expensive to remediate and the problem areas enlarge. The longer the committee waits to allocate these appropriations, the bigger the bite inflation and the weather will take out of the funds.

The Association asks the committee to continue funding the OSM training program, which is one of the greatest benefits that OSM provides to the States and Tribes. This program provides very specialized training to AML staff which helps

the States and Tribes immensely in dealing with handling many aspects of the AML programs, from NEPA requirements all the way through design and construction management. It also provides a forum for the staff from states, tribes, and OSM to stay up on all the new advances in reclamation technology. Another benefit of this training program is that the States/Tribes and OSM share the responsibility of developing and teaching the classes. Through the effort of both team members these classes have become very informational and help disseminate information useful in the field of reclamation. Another OSM program that needs to have adequate funding is the Technical Information Processing System (TIPS) program which provides software and hardware of a very technical nature to the States and Tribes. Through the TIPS program, software is shared among the States and Tribes for the design of reclamation projects. For these reasons, the Association would encourage adequate funding for the OSM training program and the TIPS portion of the budget.

Finally, as the AML Trust Fund's 2004 expiration date approaches, we need to ask the question, "Is there a need for Title IV, a need for AML programs across the country?" I, along with the members of the Association, believe the answer to this question is yes. Unless SMCRA is extended with all funds generated being distributed to the states and tribes, there is no way we can abate a majority of the hazards associated with the AMLIS inventory. Even with all the work that has been accomplished to date, there is still a national inventory of over $6 billion for priority 1 and 2 AML hazards needing remediation. There are many health and safety problems as well as environmental problems, that need to be addressed by the Abandoned Mine Land Programs. Therefore, the Association members believe the funds generated by SMCRA are essential for protecting the people of this country from the hazards and environmental problems associated with past coal mining and SMCRA's ability to collect fees should be extended past 2004.

If I can be of any further help, or if you have any questions or comments please feel free to contact me at (620) 231–8540.

PREPARED STATEMENT OF THE AMERICAN INDIAN GRADUATE CENTER

The American Indian Graduate Center ("AIGC") of Albuquerque, New Mexico, is pleased to present testimony on the needs of American Indian and Alaska Native graduate students who are served by the Bureau of Indian Affairs' ("BIA") Special Higher Education Program for Graduate Students. Our request for the 2003 academic year is for $2,000,000 from the Continuing Education portion of the BIA budget.

The ATGC, a 501(c)(3) private non-profit organization, was established in 1969 and incorporated in the state of New Mexico in 1971. AIGC has served the community for over 33 years, and has assisted more than 9,500 American Indian and Alaska Native graduate students in numerous fields of professional study. American Indians continue to be the least represented of all minority groups in the country in fields requiring advanced degrees. AIGC was founded to open the doors to graduate education for American Indians, and to help tribes obtain the educated Indian professionals they need to become more self-sufficient and able to exercise their self-determination rights, and to meet the duties and responsibilities that self-sufficiency and self-determination entail. Since 1972, AIGC has administered the BIA's Special Higher Education Program for Graduate Students and has consistently maintained low overhead (less than 10 percent for several years). AIGC recently received an "A+" and "Open Book Credit" from the American Institute of Philanthropy ("AIP" a.k.a. CharityWatch.org), a nonprofit charity watchdog and information service, for "putting 75 percent or more towards program costs while generally spending $25 or less to raise $100, and for willingly sending the financial documents AIP requests." AIGC is proud of its record of achievement, and has alumni professionals employed in a plethora of fields at numerous tribal, public, and private sector entities, many of which directly serve the American Indian community. This year, our 362 fellowship recipients, representing 112 tribes in 23 states, are attending 170 colleges and universities in 44 states and the District of Columbia.

STATISTICS AND NEED

For the 2003 academic year, AIGC received 1,800 requests for applications and 426 completed applications for funding. AIGC awarded fellowships to 362 (85 percent) applicants. The 2003 average award is $2,700, a 7 percent decline from the 2002 average award of $2,916, and a precipitous 42 percent decline from the 2001 average of $4,667. This decline trend is extremely troubling, given that the cost of higher education is forecast to rise 6 percent per year.

For the academic year ended 2002 (the most recent year for which comprehensive statistics are compiled), 180 (50 percent) awardees were enrolled in Master's programs, 175 (48 percent) in Doctorate, and 7 (2 percent) were pursuing dual degrees. 124 (34 percent) were enrolled in Health and Counseling fields of study; 81 (22 percent) in Law; 34 (9 percent) in Education, 31 (9 percent) in Business; and 18 (5 percent) in Psychology. The remaining 20 percent were enrolled in a variety of fields of study, ranging from architecture to theology.

For the seven-year 1996–2003 period, total unmet need has averaged $786,000 per year, with the average unmet need per applicant at $17,000, a potentially insurmountable gap for a graduate student, given that just one year of graduate school at a public school can cost in excess of $18,000.

Our request of $2,000,000 was arrived at using the following formula:

*362 Awardees * $4,667 Award Goal * (110 percent Program Costs) * (106 percent Inflation)*

Our goal is to reverse the slide in the average award per student to ensure that every qualified applicant receives an increasingly significant fellowship award.

SUMMARY

In summary, the American Indian Graduate Center requests $2,000,000 from the Continuing Education line item of the BIA budget for the Special Higher Education Program for Graduate Students. AIGC has successfully administered the program for 30 years, and has awarded fellowships to over 9,500 students. Of the appropriated amount, AIGC will award $1,800,000 in graduate fellowships, or $4,972 per student. AIGC will use the remaining $200,000 for program costs.

The American Indian Graduate Center, and the communities it dutifully serves, greatly appreciate your continued support and consideration.

PREPARED STATEMENT OF THE AMERICAN INDIAN HIGHER EDUCATION CONSORTIUM

REQUEST SUMMARY

On behalf of this nation's 34 Tribal Colleges and Universities (TCUs), which comprise the American Indian Higher Education Consortium (AIHEC), thank you for this opportunity to present our fiscal year 2004 Appropriations requests for the 25 colleges currently funded under the Tribally Controlled College or University Assistance Act (Tribal College Act), and for our tribally controlled postsecondary vocational institutions. The U.S. Department of the Interior, Bureau of Indian Affairs, administers these programs. While AIHEC ultimately seeks full funding for all of the Tribal College Act's authorized programs, we recognize that a focused approach with incremental increases is a way to best meet that goal over time. In fiscal year 2004, we seek a total of $52.2 million for Tribal College Act programs. Our first priority within this request is to increase funding for our institutions' basic operations under Titles I & II of the Act, we specifically request $49,666,000; of which, $39,528,000 would be for Title I grants and $10,138,000 would be allocated for Title II. This request is an increase of $7,650,000 over the fiscal year 2003 appropriated level, and $11,637,000 over the President's fiscal year 2004 budget request. Additionally, we seek: $500,000 for technical assistance, an increase of $386,000 over fiscal year 2003 and the President's request, to help address ever emerging technical assistance needs and to gather and analyze data necessary to comply with the Congressional request to provide additional information on TCUs; and $2 million for endowments under Title III of the Act. Additionally we support $4 million for United Tribes Technical College; and a minimum of $1.2 million for Crownpoint Institute of Technology; the fiscal year 2004 budget recommendation eliminates funding for these two vocational institutions.

AIHEC's membership also includes three other TCUs funded under separate authorities within the Interior Appropriations Act, namely: Haskell Indian Nations University; Southwestern Indian Polytechnic Institute; and The Institute for American Indian Arts. AIHEC supports the independently submitted funding requests of these institutions.

BACKGROUND AND FUNDING DISPARITIES

In 1972, six tribally controlled colleges established AIHEC to provide a support network for member institutions. Today, AIHEC represents 34 Tribal Colleges and Universities in 12 states created specifically to serve the higher education needs of American Indians. Collectively, they serve 30,000 full- and part-time students from over 250 federally recognized tribes.

The vast majority of TCUs are accredited by independent, regional accreditation agencies and like all institutions of higher education, must undergo stringent performance reviews on a periodic basis. In addition to college level programming, tribal colleges provide much needed high school completion (GED), basic remediation, job training, college preparatory courses, and adult education. Tribal colleges fulfill additional roles within their respective communities functioning as community centers, libraries, tribal archives, career and business centers, economic development centers, public meeting places, and childcare centers. An underlying goal of tribal colleges is to improve the lives of students through higher education and to move American Indians toward self-sufficiency.

Title I of the Tribal College Act authorizes funding for the basic institutional operating budget of one qualifying institution per federally recognized tribe based on a full-time American Indian student enrollment formula. Despite a greatly appreciated increase of almost $2 million in fiscal year 2003, these tribal colleges are currently operating at $3,908 per full-time Indian student count (ISC). This is a decrease of $8 per ISC from the fiscal year 2002 level and still less than two-thirds of the authorized level of $6,000 per ISC. This is not simply a matter of appropriations falling short of an authorization; it effectively impedes our institutions from having the necessary resources available to provide the educational services afforded students at mainstream institutions.

JUSTIFICATIONS

(a) Tribal colleges provide access to critical postsecondary education opportunities that would otherwise be out of reach.—TCU reservations are located in remote areas, and their populations are among the poorest in the nation. On average, median household income levels are only about half of the level for the U.S. population as a whole. As a result, the cost of attending a mainstream institution, which for many reservation communities is several hours away, is prohibitively high, especially when tuition, travel, housing, textbooks, and all other expenses are considered.

(b) Tribal colleges are producing a new generation of highly trained American Indians as teachers, tribal government leaders, engineers, nurses, computer programmers, and other much-needed professionals.—By teaching the job skills most in demand on their reservations, TCUs are laying a solid foundation for tribal economic growth, with benefits for surrounding communities. In contrast to the high rates of unemployment, 74 percent of recent tribal college graduates are employed and using the skills gained through their educational experiences. Of these graduates, a significant percentage are employed in "high need" occupational areas such as elementary and secondary school teachers, and nurses/health care providers. Just as important, the overwhelming majority of tribal college graduates remain in their tribal communities, applying their newly acquired skills and knowledge where they are most needed.

(c) Tribal colleges meet the strict standards of mainstream accreditation boards and offer top-quality academic programs.—Several TCUs have attained a ten-year accreditation term, the longest term granted for any higher education institution. The quality of the colleges' programs is reflected in the high rates of satisfaction reported by their graduates: 91 percent of TCU graduates surveyed reported being very satisfied or satisfied with courses in their major field of study and with overall instruction.

(d) Tribal colleges serve as highly effective bridges to four-year postsecondary institutions.—While most TCUs are two-year institutions offering associate's degrees and certificates, their transfer function is significant. A survey of TCU graduates indicated that almost 50 percent continued their education during the year after graduation, with more than 80 percent of those seeking a bachelor's degree. This compared nationally to about 33 percent of other community college graduates who enroll in further higher education the year after receiving an associate's degree. The overwhelming majority of the continuing TCU graduates felt that the programs at TCUs had prepared them well for further education and greatly enhanced their success rates.

SOME ADDITIONAL FACTS

(a) Enrollment Gains & New TCUs.—Compounding existing funding disparities is the fact that although tribal college enrollments have dramatically increased since 1981, appropriations have increased at a disproportionately low rate. Title I tribal colleges have recorded a remarkable 298 percent increase in enrollments from 1981 to 2002. In fiscal year 2004, two new tribal colleges, Saginaw Chippewa Tribal College, in Mt. Pleasant, Michigan and Tohono O'odham Community College in Sells,

Arizona will be eligible to receive funds under the Tribal College Act. TCUs are in many ways victims of their own successes. The dramatic enrollment increases, coupled with a growing number of tribally chartered colleges, have forced Title I colleges to slice an already inadequate pie into even smaller pieces. Our fiscal year 2004 funding request would increase Title I operating funds to $4,500 per full-time equivalent Indian student, still just 75 percent of the $6,000 authorized.

(b) The Absence of State Funds for Institutional Operations.—While mainstream institutions have a foundation of stable state support, TCUs must rely on the Federal government for their operating funds. Because TCUs are located on Federal trust lands, states have no obligation to fund them even for the non-Indian state-resident students who account for approximately 20 percent of TCU enrollments. Yet, if these same students attended any other public institution in the state, the state would provide basic operating funds to the institution.

(c) Local Tax and Revenue Bases.—TCUs cannot rely on local tax base revenue. Although tribes possess the sovereign authority to tax, high reservation poverty rates, the trust status of reservation lands, and the lack of strong reservation economies impede the creation of a reservation tax base. In Indian Country, according to the Bureau of Indian Affairs, 50 percent of the eligible workforce is unemployed. In comparison, the current national unemployment rate is 5.8 percent.

(d) Trust Responsibility.—The emergence of tribal colleges is a direct result of the special relationship between American Indian tribes and the Federal government. TCUs are founded and chartered by their respective American Indian tribes, which hold a special legal relationship with the Federal government, actualized by more than 400 treaties, several Supreme Court decisions, prior Congressional action, and the ceding of more than one billion acres of land to the Federal government. Beyond the trust responsibility, the fact remains that TCUs are providing a public service to all American people that no other institutions of higher education are willing to, or can, provide. We are helping the Federal government fulfill its responsibility to the American people, particularly in rural America. Despite the fact that only Indian students are counted for the purpose of determining the level of an institution's operating funds, TCUs have open enrollment policies and do not discriminate based on race or ethnicity. They are simply and effectively removing barriers that have long prevented equal access to higher education for reservation community residents.

THE PRESIDENT'S BUDGET REQUEST FOR FISCAL YEAR 2004

The President's fiscal year 2004 budget recommends a $4 million cut in already inadequate funding to operate our tribally chartered reservation based colleges, and eliminates funding for our two vocational colleges. Despite an almost $2 million increase in the fiscal year 2003 Appropriation, the 24 colleges funded under Title I of the Act will receive just $3,908 per full time equivalent Indian student (ISC), a decrease of $8 per ISC, and still under two-thirds the authorized level of $6,000 per ISC. The $4 million cut proposed in the President's fiscal year 2004 budget, if enacted, would result in a loss of $733 per ISC for Title I colleges, if Title II funding remained level. This slashing of basic operating funds would cause some TCUs to no longer be able to meet minimum requirements for stable funding needed to pay overhead and faculty/staff salaries. This would not only jeopardize their accreditation status but would most likely force some of the colleges close their doors.

AIHEC'S APPROPRIATIONS REQUEST FOR FISCAL YEAR 2004

We respectfully request a total appropriation of $52.2 million for our Tribal College Act programs. Of that amount our first priority is $49,666,000 for Titles I and II of the Tribal College Act; of which, $39,528,000 would be for Title I grants and $10,138,000 would be allocated for Title II. This request is an increase of $7,650,000 over the fiscal year 2003 appropriated level, and $11,637,000 over the President's fiscal year 2004 budget request. This increase would bring funding for the basic operations of our Title I colleges, including our two new colleges, Saginaw Chippewa Tribal College (Michigan) and Tohono O'odham Community College (Arizona), to $4,500 per ISC, which still represents just 75 percent of the $6,000 authorized. Additionally, we seek $500,000 for technical assistance, an increase of $386,000 over fiscal year 2003 and the President's request, to help address ever emerging technical assistance needs and to fund data collection and analysis necessary to comply with the Congressional requests for additional information on TCU operations, and $2 million for endowments under Title III of the Act.

For our two tribally controlled vocational institutions, we support $4 million for United Tribes Technical College; and a minimum of $1.2 million for Crownpoint In-

stitute of Technology, to restore and expand the funding for these programs that the fiscal year 2004 budget recommends eliminating.

CONCLUSION

Tribal colleges are bringing education to thousands of American Indians. The modest Federal investment in the TCUs has paid great dividends in terms of employment, education, and economic development, and continuation of this investment makes sound moral and fiscal sense. We very much need your help to sustain and grow our programs and achieve our missions.

Thank you for your past and continued support of the nation's Tribal Colleges and Universities and your consideration of our fiscal year 2004 appropriations requests.

PREPARED STATEMENT OF THE ASSINIBOINE AND SIOUX TRIBES OF THE FORT PECK INDIAN RESERVATION

INTRODUCTION

The Fort Peck Tribes are pleased to present testimony on the fiscal year 2004 BIA and IHS Budget.

TRIBAL PRIORITY ALLOCATIONS

The Tribal Priority Allocations system is intended to give tribes an additional measure of flexibility in determining how to use available funds to best meet local needs. However, the Administration has requested only a small increase of $2.1 million for programs under TPA. While we support this request, it would still fall far short of allowing the Fort Peck Tribes to meet the needs of our people in key areas including, education, agriculture and tribal courts. We urge the Congress to do all it can to increase TPA above the level requested by the President.

In particular, we are very concerned with the Administration's failure to restore last year's $4 million cut in General Assistance funding. This cut is premised on a purported decline in caseloads. It is difficult to believe this is in fact true on a national level, since we at Fort Peck have experienced an increase in requests for General Assistance. This increase is largely the result of the Welfare Reform law and the strict work and benefit restrictions placed on individuals. People, who have had the benefits terminated, are returning home to take advantage of tribal work, educational and housing programs. As a result, the GA shortfall at Fort Peck alone is $800,000. Thus, as Congress seeks to reauthorize the Welfare Reform law we would urge the Subcommittee not to cut GA, which is an important part of tribal assistant programs.

EDUCATION

Higher Education

We urge the Committee to support the education needs of Indian people. The President's budget requests $28 million for scholarships for Indian students to attend accredited post-secondary schools. Obtaining a degree in higher education—particularly for those individuals from families that have not previously sent anyone to college—takes courage and often considerable personal sacrifice. We believe it is our responsibility to support the efforts of our people to attend college. The Tribes provide scholarship funds available through the BIA program. However, the current levels of funding are already far too inadequate. For example, this year the Tribes have identified 230 students who are eligible for scholarship benefits for higher education but who cannot be served because of lack of funding. The BIA itself reports that the level of unmet requests for scholarships nationwide has increased steadily over the last three years.

Tribal Colleges

We oppose the Administration's proposal to cut tribal colleges funding by $4 million. The twenty-six tribal colleges are important institutions in the remote tribal communities that they serve. On our Reservation, we operate the Fort Peck Tribal College, a fully accredited institution, offering Associate Degrees in arts, science and applied sciences.

The College offers our students an opportunity to obtain a higher education without having to leave their homes and families. This is critical for many of our students, especially our single parent students, who need family members to provide child care. These students do not have the resources or the network to attend school

in Billings or Great Falls and if it weren't for our Tribal College they would have no opportunity to improve their lives, through higher education.

We strongly urge the Subcommittee to increase funding for this vital program that is improving the lives of Indian people.

INDIAN HEALTH SERVICE

The President's budget requests a total of $3.6 billion for IHS services and construction (including the $50 million funded through the mandatory special diabetes program.) While this represents an increase on paper, it will not translate into any program improvements or expansions. This increase does not even keep pace with medical inflation rates.

The Federal Government has a trust responsibility to provide health care to Native Americans, an obligation that was paid with millions of acres of land and resources. This Federal responsibility has been reaffirmed through treaties, legislation, executive orders and policies by Congress and Presidential Administrations. The Indian Health Service budget must include consideration for medical inflation, population increases and mandatory payroll increase. The IHS has adsorbed over one billion dollars in mandatory cost increases over the past 10 years causing the loss of purchasing power that has led to insufficient funding for medical services putting lives and health of Native people at risk. This is not acceptable. The same allowance given to federal programs, Medicaid and Medicare, for inflation and population adjustments should be applied to the IHS fiscal year 2004 Budget.

The health indicators in Indian communities consistently demonstrate higher infant mortality, teenage suicide, accident, alcoholism, diabetes, and heart disease rates among Indian people when compared with other minorities and the general American population. Yet, money directed to health care, especially preventative care, such as routine checkups and health education, that clearly improve the quality of life and help avoid more expensive health care costs in the future is not included in the Administration's fiscal year 2004 budget request. This is unacceptable.

Special Diabetes Study-$316,000 Request

Diabetes is an epidemic on the Fort Peck Reservation. The rate of heart disease, amputations, blindness, kidney failure and other diabetic related complications are growing at an accelerated rate, while the age of onset becomes younger every year. The death rate for Indian people from diabetes is nearly three times higher than non-native people.

To begin to combat this problem that is threatening the future of our community, the Fort Peck Tribes request an earmark of $316,000 to implement the first year of a five year epidemiological study of the impact of a more traditional diet on the diabetics. Preliminary studies show that bison meat is a natural inducer of insulin production in the body. In addition, bison meat is high in protein and low in fat, which is the ideal diet choice for diabetics

The Tribes propose to establish a study population of 250 people—125 would be diagnosed diabetics and 125 would be individuals with an established diagnosis of Insulin Resistance Syndrome. All study participants will be evaluated by a physician at a baseline and thereafter quarterly. The Tribes propose to provide buffalo meat to these individuals on a weekly basis. As a part of the study, participants will receive an orientation other healthy benefits of Bison meat, including how to prepare healthy bison dishes and how to incorporate other healthy lifestyle changes to improve their condition such as increased exercise, weight control and overall change of diet. The study groups will be evaluated quarterly by a physician and receive education by the nurse educator and dietitian for weight, waist to hip ratio, comprehensive chemistry, magnesium levels, lipid profiles, HgbAIC, fasting insulin levels, urinalysis, A/C ratios and aliquots.

The Tribes estimate that it will require 35 buffalo per year to provide sufficient meat to the study participants. The initial term of the study would be for five years.

First year costs	$316,000
Purchase of Bison Meat	95,000
Labs for controlled/Non-controlled Group	52,000
Data analysis	45,000
Office equipment	15,000
Equipment for processing meat	20,000
Physician, Nurse Educator, Dietitian	35,000
Laboratory technician	24,000
Administrative Coordinator	30,000

PREPARED STATEMENT OF THE ASSOCIATION OF NAVAJO COMMUNITY CONTROLLED SCHOOL BOARDS

SUMMARY OF ANCCSB'S REQUESTS, IN PRIORITY ORDER

[In millions of dollars]

Administrative Cost Grants—continuing tribally-operated schools	61.5
Administrative Cost Grants—first-year conversion schools	3.0
Student Transportation	55
Indian School Equalization Formula	([1])
Facilities Operations	70
Facilities Improvement and Repair	158

[1] $4,000/WSU for basic program—(net after special education costs).

This preliminary statement of the Association of Navajo Community Controlled School Boards (ANCCSB) is submitted on behalf of its 16 member school boards who operate BIA-funded schools on the Navajo Reservation in Arizona and New Mexico under contracts or grants from the Bureau of Indian Affairs. We will supplement our comments after the fiscal year 2004 BIA detailed budget justification is released. The issues we discuss below and on which we provide our recommendations are presented in priority order.

Administrative Cost Grants.—We strongly supported the NCLBA provision that requires the Bureau to create a separate Administrative Cost (AC) Grants fund to cover the first-year AC Grant needs of schools that newly convert to tribal operation. The BIA budget recommends $3 million for this separate fund.

The amount requested for AC Grants for continuing tribally-operated schools is, however, alarmingly inadequate to meet the needs of these schools. The amount requested for these schools is only $46,181,000. At this level, it will be impossible for BIA to supply even 75 percent of the AC Grant needs of these ongoing tribally-operated schools. This budget request is not responsive to the increasing costs of annual financial audits, liability insurance, and salaries for certified administrators and business managers.

Recommendation.—We recommend that $61.5 million be supplied to meet 100 percent of need for on-going tribally-operated schools, and concur with the BIA's request for an additional $3 million to cover the first-year costs of schools who convert to tribal operation in SY 2004–2005. We also recommend that Congress direct that any funds remaining from $3 million, will be transferred to and distributed to meet the AC Grant needs of on-going contracts and grants.

Student Transportation.—We are extremely disappointed that the Administration once again requests only a minimal increase of $1.1 million for our school transportation system. According to the most recent national report, the average expenditure for public schools was $2.97/mile six years ago but, during SY 2002–2003, BIA schools received only $2.17/mile. The budget request of $38.6 million, which will be used in SY 2004–2005, will barely enable the BIA to pay at the $2.17/mile range when increased fuel costs and vehicle maintenance costs are taken into account.

There are a host of transportation costs our schools must budget for that do not impact other school systems, such as (1) approximately 90 percent of the roads on the Navajo reservation are unimproved and unpaved—resulting in increased maintenance and repair costs, and (2) oftentimes the authorized maintenance and repair facilities are not located nearby, and in some instances result in roundtrips of over 250 miles. We are also experiencing rising fuel costs, which have recently averaged $1.90–2.00/gallon. Furthermore, retaining CDL certified bus drivers is always difficult due to our inability to offer competitive, full-time positions.

Congress should be aware that the transportation formula does not take into consideration mileage associated with extra-curricular activities (athletics, educational field trips, etc.), after-school activities, or trips for repairs and maintenance. We must cover these expenses from our instructional funds. The "student transportation" funds are only used for the daily bus runs associated with getting students to/from school, and, in fact, the amount we receive for this purpose is so inadequate that we must subsidize bus costs from instructional funds.

Recommendation.—We urge that Congress provide student transportation funding at $3.00/mile which we believe will require a $55 million appropriation. We also request that Congress direct the BIA to amend the transportation formula to include factors for isolation and mileage related to extra-curricular activities.

Indian School Equalization Formula (ISEF).—The ANCCSB schools were alarmed to learn that only a small increase in ISEF program funds is requested for fiscal year 2004. Coupled with the Administration's rescission of more than $700,000 from

the ISEF in the fiscal year 2003 budget, the new budget request will not even be sufficient for us to cover the inflation rate or the additional costs such as School Board training mandated by the No Child Left Behind Act of 2001 (NCLBA).

ISEF is the primary source of funds for the instructional and residential programs at the 185 schools and dormitories in the BIA system. We face significant costs connected with increasing instructional program costs, teacher recruitment, and curriculum development just to maintain our current programs, let alone cover the costs associated with the many additional requirements of the NCLBA.

Under the NCLBA, we are required to hire only highly qualified teachers and paraprofessionals, provide increased professional development and parent involvement activities, and ensure adequate yearly student progress—which is dependent upon curriculum alignment, utilization of "research-based" materials and methods, and a host of other factors. Due to the remoteness of many of our schools, staff recruitment and retention remains a tremendous challenge. We cannot assure the availability of professional staff with the required certification, or paraprofessionals with AA degrees, unless we have the financial resources to recruit/retain personnel with these credentials. Our Indian schools must compete with public school districts for highly qualified personnel, but we cannot survive this competition unless we can offer competitive salaries and benefits.

Important technical change regarding the ISEF "weighted student unit" system!—It is essential that Congress be aware that BIA changed the way student "weights" are counted under the ISEF in SY 2002–2003. The fiscal year 2004 budget request will be the first one impacted by this change, but we do not know if BIA will fully describe what has taken place and the additional calculations that are needed to enable Congress to properly evaluate the fiscal year 2004 budget request for ISEF. The key changes are these: BIA has eliminated from the ISEF program any weights for special education students. Under the previous system, schools received extra ISEF "weights" for services they supply to special education students; these weights generated funds for the school specifically for special education services. In addition, BIA changed the weights assigned to each grade level for students in the basic instructional program and in the Gifted & Talented program.

In the past, we and Congress have been able to evaluate an ISEF budget request by comparing the prior year's amount of funding for each "weighted student unit" (WSU) with the WSU amount that would be produced by the new proposed budget. Such a comparison is no longer meaningful, however, since the weighting factors have been altered.

Under the new system, BIA now requires that a school use 15 percent of its ISEF dollars to pay for special education services. If its special education needs exceed this amount, the school can apply for supplemental dollars under the Individuals with Disabilities Education (IDEA) Program. In the past, the school applied for IDEA funds after using the ISEF funds it attracted through the add-on weights under the ISEF.

This change will produce a different number of overall "weighted student units" in the BIA school system, and a different relative value of each WSU. It is important to know this so that Congress can determine whether the WSU base amount is actually increasing at a rate needed to keep pace with instructional costs in the BIA system. The BIA estimates that the fiscal year 2004 amount requested will result in a $4,035 WSU for SY 2004–2005. However, if the BIA has not allowed for the 15 percent reduction for special education services, the actual amount would be $3,429/WSU. This amount would be $525 less than the SY 2003–2004 WSU amount.

Recommendation.—If our schools are to enhance the educational programs to ensure our students make adequate yearly progress and meet the requirements established in the No Child Left Behind Act, we urge that Congress provide an amount that would result in at least $4,000 per WSU for the basic instructional program—that is, the amount of ISEF funds devoted to basic instructional programs after the 15 percent that must be devoted to special education services is taken off the top.

Facilities Operations.—This account must cover the cost of utilities, heating fuel, janitorial, communications, refuse collection, water/sewer, fire protection, pest control, and technology maintenance. Funding for this program is based on the total square feet of education space.

The ANCCSB schools have several concerns regarding the proposed $57.8 million requested for fiscal year 2004, which represents only a $2 million increase over fiscal year 2003. It is evident that fuel and other utility costs are steadily increasing, yet funds for basic school operating costs have only covered 60 percent to 70 percent of the actual costs the schools incur. The BIA-requested $2 million increase will barely enable schools to continue at their current level of shortfall. Nearly half of all BIA schools are more than 30 years old, and nearly 15 percent are more than 50 years old, which means it costs substantially more to operate and maintain these

outdated facilities. A recent GAO study[1] confirmed that BIA schools are generally in poorer physical condition, have more unsatisfactory environmental factors, more often lack key facilities requirements for education reform, and are less able to support computer and communications technology.

The safety of our students and our desire to provide an adequate learning environment are not the only reasons the ANCCSB schools believe additional Facilities Operations funds are necessary. One of our primary concerns is that in order to meet the academic requirements of the NCLBA, ANCCSB schools plan to implement year-round schooling or provide a summer school session. The extended year will result in additional maintenance, utilities, and staff costs. Other concerns include the following: costs for utilities, propane, electricity, sewage, and water purchased from the Navajo Tribal Utility Authority has increased 3 percent in the past year; many of our schools lack adequate fire protection but must rely on fire trucks located 50–70 miles away; security costs have increased due to the national security threat (requiring school security to be on alert 24 hours/day) and the planned extended school year. Also, under the NCLBA, the BIA is required to pass on to the schools all funds appropriated for facilities operation and maintenance, but we believe the agency is not generating the information we need to assure that this directive is carried out. In the past, despite Congressional orders to the contrary, BIA has "skimmed" funds from the appropriation to support federal bureaucrat salaries. Now that the NCLBA has expressly prohibited this practice, schools and the Appropriations Committees need a mechanism to assure that the law is being followed. We ask the Appropriations Committees to obtain an assurance from BIA that it has ceased to retain any facilities operation and maintenance funds at the agency level.

Recommendation.—Please demand that the BIA supply information on the amount that would be needed to fully fund the formula used to calculate the amount of facilities operation and maintenance funds needed by each school in the system. Armed with this data, the Congress should then appropriate that sum in order that these schools can be properly operated and maintained.

Replacement Schools Construction.—The ANCCSB schools are pleased that the BIA wants to start six replacement school construction projects in fiscal year 2004. If this recommendation is followed, nearly all schools on the existing Priority List will have been funded.

Construction of new schools remains a critical need for the BIA system, and particularly schools on the Navajo Reservation. For example, the Lukachukai Community on the Navajo Reservation continues to educate its children in dilapidated, unsafe buildings that are 10+ years beyond their useful life, are not in compliance with handicapped accessibility codes, are overcrowded and lack the space needed to conform to the dictates of the No Child Left Behind Act's instructional minimums, and contain a variety of health/safety code violations. We were therefore extremely disappointed that Lukachukai was not included on the long-awaited Priority List compiled from the applications filed some 18 months ago but only recently finalized by the BIA.

Facilities Improvement & Repair Program.—We are deeply concerned that the fiscal year 2004 budget request would reduce the education Facilities Improvement & Repair (FI&R) Program by over $16 million in light of the tremendous backlog of needed school repairs—reported to be over $960 million in a recent General Accounting Office report.[2]

BIA attempts to justify the cut in FI&R funding by asserting that funding was transferred to the replacement school construction account. Although additional funds for replacement of unsafe schools is most welcome, it means that $16 million worth of repair work needed at many schools will be devoted to possibly constructing one additional school! While the repair backlog remains high, it is equally important that the students who attend schools throughout the system are provided much-needed health, safety and environmental improvements, utility upgrades, and additional classrooms.

Recommendation.—At a minimum, Congress should restore the $16.2 million BIA proposes to cut from the FI&R program. To properly fulfill its responsibility to Indian students, this account should be increased by some $10 million in fiscal year 2004.

Negotiated Rulemaking.—Our final comment is related to the recently enacted fiscal year 2003 Omnibus Appropriations Act. The ANCCSB schools are disheartened by the inclusion of bill language that would allow BIA to use the ISEP Contingency Funds to pay the costs of the negotiated rulemaking to prepare regulations required

[1] General Accounting Office, *BIA and DOD Schools: Student Achievement and Other Characteristics Often Differ from Public Schools'*, GAO–01–934 (September 2001).

[2] Id. at page 23.

by the No Child Left Behind Act (NCLBA). This authority to re-direct much-needed funds for school programs was not what was provided in the NCLBA. Instead, the NCLBA requires the Secretary of the Interior to cover the costs of the negotiated rulemaking process through the Department's general administration funds. The ISEP Contingency Funds are meant to be used only for school-related emergencies, and any unused funds remaining at the end of the school year are to be apportioned to the schools for use in instructional programs. Allowing the Secretary to use the Contingency Funds in any other manner not only violates the NCLBA but would also mean less funds to purchase essential materials for our schools such as textbooks and other school supplies.

Recommendation.—We request that Congress strongly urge the Secretary to follow the mandate of the NCLBA and use funds from the Department's general administration funds to pay the expenses for negotiated rulemaking instead of the ISEP Contingency Funds.

This statement of the Association of Navajo Community Controlled School Board is sponsored by the following tribally-operated member schools of the Navajo Nation:

1. Stanley Herrera, President Alamo Navajo School Board
2. Wilson Gilmore, President Black Mesa Community School, Inc.
3. George Tolth, President Borrego Pass Community School, Inc.
4. Beverly Becenti-Pigman, President Kayenta Community School, Inc.
5. Marge Begay, President Lukachukai Community School, Inc.
6. Ross Smallcanyon, President Naa Tsis' Aan Community School, Inc.
7. Edison Wauneka, President Navajo Preparatory School, Inc.
8. Joseph Dedman, President Nazlini Community School, Inc.
9. Lorenzo Yazzie, President Pinon Community School, Inc.
10. Jamie Henio, President Ramah Navajo School Board, Inc.
11. Johnny Decheeny, President Rock Point Community School, Inc.
12. Betty Dailey, President Rough Rock Community School, Inc.
13. Eva Stokely, President Shiprock Alternative Schools, Inc.
14. William Lynch, President Wide Ruins Community School, Inc.
15. Marie Brady, President Winslow Residential Hall, Inc.
16. Sarah J. Attakai, President Jeehdeez'a Academy, Inc.

PREPARED STATEMENT OF THE CHUGACH REGIONAL RESOURCES COMMISSION

We appreciate the opportunity to provide this written testimony to the Senate Appropriations Subcommittee on Interior and Related Agencies. The Chugach Regional Resources Commission (CRRC), a non-profit Alaska Native coalition for managing tribal natural resources, with its seven member Tribes located in the Prince William Sound and Lower Cook Inlet, respectfully requests as our first priority restoration of its base funding of $350,000 from the fiscal year 2004 Bureau of Indian Affairs budget, Fish, Wildlife and Parks Program.

The Tribes of the Chugach Region, who make up the Chugach Regional Resources Commission, appreciate the support of the Subcommittee in reinstating our fiscal year 2003 funding which was zeroed out by the Bureau of Indian Affairs. Unfortunately, the Administration has once again zeroed out our funding of the President's proposed BIA fiscal year 2004 budget. Therefore, we are respectfully requesting the support of the Senate Appropriations Subcommittee on Interior and Related Agencies to restore the $350,000 to the Bureau of Indian Affairs fiscal year 2004 Fish, Wildlife and Parks budget earmarked for CRRC and add it to the base budget as permanent funding. In addition, we are requesting a $250,000 increase for the region-wide mariculture program and an additional $250,000 increase for the education and training program described below.

Until fiscal year 2003, this funding had been included in the BIA's Fish, Wildlife and Parks budget for the past 13 years. The mission of CRRC is to work with our seven member Tribes to promote and develop sound economic resource based-projects and to work collectively to address any natural resource and environmentally related issues that affect the Native people of the Chugach Region.

This funding, over the past 13 years, has supported the development and operation of many programs that have assisted communities in providing meaningful employment opportunities as well as valuable services and products to the people of the State of Alaska. If this funding is not restored, 35 Native people in the Chugach Region will lose their jobs. With the scarcity of employment opportunities in rural Alaska, the impact of approximately six families per village losing this income in a village with an average population of 100, strikes a devastating blow to the local community economy. In addition, these 20 families will create a much larger

burden on state and federal financial resources as they will be forced to depend upon state and federal welfare programs to provide funding for necessary living expenses. This funding also supports the base operating expenses of CRRC, and without it, our work will not be able to continue. A summary of some of these programs supported by this funding is provided to give you a better understanding of the integral role this funding plays in Tribal community development.

The Port Graham Salmon Hatchery has been in operation since 1990, and raises sockeye, pink, and coho salmon. CRRC provided Port Graham with the technical and administrative assistance necessary to build the hatchery program. The hatchery's goal is to rebuild local pink salmon runs and provide economic opportunities for village residents. CRRC has funded the hatchery operations for many years and employed the hatchery staff consisting of 5–7 full time and seasonal employees.

The original hatchery was located in the net loft of the salmon cannery building. This building was completely destroyed by a fire in January of 1998. CRRC worked closely with the Port Graham Village Council to obtain funding and help to build a new hatchery. The new hatchery was completed in 2000 and is now in the process of bringing salmon production to full capacity, which is 110 million pink salmon eggs, 5 million sockeye salmon eggs and 2 million coho salmon eggs. The hatchery currently produces local stock pink and coho salmon and incubates sockeye salmon eggs for the nearby Native Village of Nanwalek. The hatchery is expecting about 300,000 adult pink salmon to return this year, which will be enough to fill it to capacity. Annual adult returns are expected to increase to about 3 million pink salmon beginning in 2004 and 100,000 to 200,000 sockeye salmon beginning in 2006. Reinstatement of the fiscal year 2004 funding will allow to continue with its needed investment in the hatchery program and to help develop a a value added processing component to the local processing plant which is owned and operated by the Port Graham Corporation.

The Nanwalek Sockeye Enhancement Program (NSEP) was also initiated in 1990. CRRC provided funding and technical and administrative assistance to develop a sockeye smolt stocking program that would supplement wild production and help rebuild the depleted English Bay sockeye run. The Nanwalek IRA Council operates the project with administration and support coming from CRRC. It is the only program of its kind currently permitted in the State of Alaska and employs one full time and ten seasonal workers. The heart of the project consists of rearing Port Graham hatchery produced fry to smolt size in English Bay Lakes and releasing them in the lakes to migrate out to sea and return as adults. Rearing operations commenced in 1991 and have occurred annually since that time. Over two and a half million sockeye smolts have been released into the English Bay Lakes since project inception. This has produced over 220,000 adult sockeye salmon that have returned to the English Bay River and associated fisheries. Fish from this project allowed for the reopening of the subsistence fishery in 1996 and a limited commercial fishery in 1997.

This important program is expected to reach a peak production of about 150,000 adult sockeye salmon returning every year beginning in 2007. English Bay River sockeye salmon are a principal source of subsistence food and commercial fishing income for the Nanwalek and the nearby Port Graham villages. CRRC continues to provide consulting and technical assistance for this project that will help provide a sustainable economic base for the village of Nanwalek.

The Qutekcak Shellfish Hatchery in Seward has been a major accomplishment for both the Qutekcak Native Tribe and CRRC. The operation began in a small pilot hatchery with funding provided from CRRC BIA funds, and is now operating out of a new state-of-the-art facility, spawning, hatching, and rearing littleneck clams, Pacific oysters and geoducks for sale to shellfish farms in Alaska and elsewhere. This hatchery is now operated by the Tribe under a contract with the City of Seward, and employs 4 full time employees. This is the only shellfish hatchery in the State of Alaska, and has the capacity to serve all shellfish farms in the state. The Tribal hatchery staff is currently conducting research on the culture techniques of Purple-hinged Rock Scallops and Cockles. CRRC has helped fund hatchery research and development, which would be sharply curtailed without this support. This would devastate not only the Tribal hatchery, but the shellfish farmers in Alaska as well who depend upon seed for their own operations. One condition of the hatchery operating contract stipulated that the Tribe put up $100,000 bond to cover the cost of mothballing the hatchery should the Tribe pull out and no one else found to take its place. Operating costs are approximately $340,000 per year for the hatchery. Without the BIA funding, hatchery operations would have to be cut back. This would reduce seed production that, in turn, would reduce income. This likely would force the Tribe to back out of its operating contract. This would mean that some or all of its $100,000 bond would be forfeited if no one else could be found to take

over hatchery operations. Closing the hatchery would also doom the state's mariculture industry; reducing it to a very small number of farmers supplying oysters to the tourists.

The Tatitlek IRA Council has operated the Alutiiq Pride Oyster Farm since 1992 and is one of those farms that depend upon seed from the Qutekcak Shellfish Hatchery for their operation. The oyster farm has produced some of the best oysters in the country and is well known throughout Alaska. The operation sells their product primarily in Anchorage at this time, marketing approximately 200–300 dozen per week. Funding for this project is slowly being phased out as their profit margin increases. Sales currently account for about $80,000 of its $145,000 budget. About $35,000 of the remainder comes from the CRRC's BIA natural resources program and the rest from village funding sources. This is one of the bigger mariculture operations in the state, providing 3 full time and several part time employment opportunities for Tribal members. The Tribe recently completed construction of a processing facility to process the oysters and prepare them for shipping. Losing the BIA funding would likely result in a reduction in employment and production, and possibly the end of the program. This in turn would hurt the Qutekcak shellfish hatchery since Tatitlek is one of the hatchery's bigger customers.

In a related project, the Chenega IRA Council operates the Chenega Floating Nursery System for oysters and other shellfish in Chenega Bay. With this nursery system, they are able to raise shellfish to a size larger than what can legally be imported into Alaska. The ability to purchase larger seed means shorter grow-out time, and higher profitability for the shellfish farms. So, this program fills a niche in the shellfish market that did not exist anywhere in the state prior to its inception. This program employs one full time community member.

In addition to these projects, this funding has also supported the development of Tribal Natural Resource Programs in the region in an effort to be more meaningfully involved in the natural resource management projects and decisions that affect the Tribes' traditional subsistence lifestyle. We request an increase of $250,000 per year for the next four years, to develop a model technical education and training in natural resource management to allow for increased and meaningful tribal involvement in the management of subsistence resources in cooperation with federal and state management agencies.

Active participation by the Tribes in such current initiatives as the Exxon Valdez Trustee Council's Gulf Ecosystem Monitoring Program and the federal subsistence fisheries management projects occurring in traditional use areas is vital to the overall success of each of these programs. Funding from this initial appropriation also supports the base operations of the organization, such as salaries, travel, telephone, office space, office supplies, and professional biological assistance, which are vital to the CRRC's very existence. We have been very successful at utilizing these funds to use as match for other grants as well, oftentimes doubling or even tripling the initial investment.

As you can see, this funding has played an integral role in allowing CRRC to develop and implement important community-based programs such as those described above. The over 35 Native people employed under this funding, the majority of which are located in the villages, will lose their jobs if this funding is not restored; CRRC will be without operating funds, thus unable to facilitate the development of local community economies, and Tribes will no longer have a collective voice to address the environmental and resource issues that affect their lives.

We are respectfully requesting the Committee's support to restore the original amount of $350,000 to the BIA Fish, Wildlife and Parks Budget for the Chugach Regional Resources Commission and make it part of the recurring base budget. Due to the magnitude of this program to the people of the Chugach, as well as its far reaching impacts and high cost to benefit ratio, we are also requesting that this funding be included in the budget as part of the permanent base. We believe that making our funding a part of the permanent base will alleviate the need for us to spend what little funding we have on getting our BIA funding restored rather than on meaningful projects that will benefit the communities. We also ask for the Committee's support for our requested increase of $500,000 to enhance our programs.

In a related matter, we also support the restoration of funds to other Tribal fish and wildlife programs that were cut from the BIA budget, including $100,000 to the Alaska Sea Otter and Stellar Sea Lion Commission, $454,000 to the Bison Restoration Program, $593,000 in Wetlands/Waterfowl Management, and $320,000 in Unresolved Hunting and Fishing Rights for Tribal management of shellfish resources and associated treaty harvest in the Northwest Region.

Once again, we ask the Committee to restore these funds in behalf of the Native people of the Chugach Region and thank you for your support of our programs, as well as this opportunity to provide our written testimony. If you have any questions,

please feel free to contact me at 907/284–2212 or Patty Brown-Schwalenberg, Executive Director, at 907/562–6647.

PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE GRAND RONDE COMMUNITY OF OREGON

Mr. Chairman, I am Cheryle A. Kennedy, Tribal Council Chairwoman of the Confederated Tribes of the Grand Ronde Community of Oregon. I hereby submit this testimony regarding Bureau of Indian Affairs fiscal year 2004 appropriations to the House Appropriations Subcommittee for Interior and Related Agencies Appropriations with the following requests:

(1) Restore BIA Endangered Species Act funding to $3.1 million and direct that $1.7 million of the funds be utilized among Northwest tribes, as they were in fiscal year 2002, to manage for ESA listed species, including the northern spotted owl, marbled murrelet, and steelhead.

(2) Add $115,000 to BIA Other Recurring Programs, Natural Resources, Wildlife and Parks, for a Grand Ronde study of the decline of Roosevelt Elk and its habitat on and around our Reservation.

The Confederated Tribes of Grand Ronde were restored to federal recognition by Act of Congress in 1983. Today, we have close to 4,800 members centered in the Oregon community of Grand Ronde is western Polk County, but also dispersed throughout the United States. In the adjacent hills of Oregon's Coast Range of Mountains is our 10,052 acres of Reservation timberland, established by a separate 1988 Act of Congress.

(1) Restore BIA Endangered Species funding (in Non-Recurring Programs, Resources Management) to $3.1 million and direct that $1.7 million of the funds be utilized among Northwest tribes, as they were in fiscal year 2002, to manage for ESA listed species, including the northern spotted owl, the marbled Murrelet, and steelhead.

In fiscal year 1992, at the request of Grand Ronde and other Northwest tribes, Congress added $1.4 million to the BIA Forestry budget for management of the northern spotted owl, with had become listed under the Endangered Species Act. In subsequent years, BIA—over the objections of tribes—combined the northern spotted owl funding with other funds to reintroduce the Black Footed Ferret on the Northern Cheyenne Reservation and established a separate ESA line item. By fiscal year 2002, this ESA line item totaled $3 million, including $1.6 million for Northwest tribes affected by the northern spotted owl and $1.3 million for the ferret. In fiscal year 2003, BIA proposed to eliminate all of these funds except for $197,000, which they proposed to keep for Central Office staff. Responding to tribal objections, Congress restored the ESA line item to about $2,697,000. At this point, we do not know what we will receive under this fiscal year 2003 funding. For fiscal year 2004, the BIA reportedly is requesting $2,198,000 for the ESA line item. Again, at this point, we do not know how the BIA is proposing to spend the $2,198,000. However, we are concerned that for both fiscal year 2003 and for fiscal year 2004, funding for the Grand Ronde Tribe's ESA compliance program will fall, imperiling our ability to meet the ESA's management requirements.

To maintain the Grand Ronde Tribe's goal of complying with the Endangered Species Act, our Tribe will need to continue surveys for 13 listed species that can, or do, occur in the region of our Reservation. Our participation in the ESA program, in the fiscal year 2002 amount of $68,600, will be used to pay for 128 hours of staff time for the survey and monitoring of marbled murrelets, 120 hours for the survey and monitoring of the northern spotted owl, 966 hours of monitoring for steelhead trout, and 224 hours for the survey and monitoring of Nelson's checkermallow. It will also construct an adult steelhead monitoring station, conduct RADAR survey for marbled murrelets, and conduct filed inspections for other listed species.

The loss or reduction of these funds will directly and immediately hinder our ability to comply with the Endangered Species Act, which in turn could threaten our ability to manage our forest, including the commercial harvest upon which we depend. We urge the Committee not to let this happen by maintaining these funds and their purpose. It was the affected Northwest tribes, including our Tribe, that initially secured these funds, not the BIA. Further, BIA has never sought any other funds for Endangered Species management, which makes BIA's unilateral efforts to either eliminate these funds or divert them to some other use particularly troubling. Accordingly, we ask that the Committee not allow this to happen, and that you fully restore the ESA item funding to $3.1 million, with $1.7 million dedicated to affected Northwest tribes.

(2) Add $115,000 to BIA Other Recurring Programs, Natural Resources, Wildlife and Parks, for a Grand Ronde study of the decline of Roosevelt Elk and its habitat on and around our Reservation.

The Confederated Tribes of the Grand Ronde Community of Oregon requests your support of the addition of $115,000.00 to Wildlife and Parks in the BIA's Other Recurring Programs, Natural Resources budget to study the habitat use and distribution of Roosevelt Elk on and around our Reservation lands. Elk are an important cultural, natural, and subsistence resource for members of the Grand Ronde Tribes. Tribal members are authorized by the Tribal government, the State of Oregon, and the federal government to hunt elk on and around Reservation lands within the Trask Wildlife Management Unit.

Elk populations in the Trask Unit are below state management objectives and tribal harvest rates have declined over the last 10 years. Approximately 46 percent of the Trask Unit is public land and there is a perception among many hunters that these lands are not providing quality elk habitat due to changes in management policies. The Tribes would like to gather data on elk distribution and use of habitat to learn how the available habitat is affecting elk populations. Information learned from the study would allow the Tribes, the State of Oregon, and other land managers and owners to make informed decisions regarding management of elk habitats and populations, with the goal of improving elk habitat to allow for sustainable harvest of elk for current and future generations. While there is clear need for research and data, no other agencies, state or federal, are currently conducting elk research on or near the Reservation.

The Tribe's Natural Resources Division would manage the project, track the collared elk for two years, and analyze the data. The funding requested would be used to obtain GPS (global positioning system) tracking collars, tracking equipment, and to capture (using a helicopter) and collar the elk. For this undertaking, we request $115,000.

Mr. Chairman, this concludes our fiscal year 2004 testimony. We hope the Committee will be able to accommodate our requests. If you have any questions, please let us know.

Thank you.

PREPARED STATEMENT OF THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION

Mr. Chairman, I, Olney Patt, Jr., Chairman of the Confederated Tribes of the Warm Springs Reservation of Oregon, hereby submit this fiscal year 2004 testimony regarding Bureau of Indian Affairs, the Office of the Special Trustee, and Indian Health Service funding for fiscal year 2004. In summary, the Warm Springs requests are:

(1) Add $2 million to BIA TPA Forestry designated for Warm Springs (BIA Tribal Priority Allocations, Resources Management).

(2) Restore BIA ESA funding to $3.1 million, with $1.8 million for Northwest tribal ESA compliance activities, including $300,000 for Warm Springs (BIA Non-Recurring Programs, Resources Management).

(3) Provide $500,000 for a Warm Springs Water Settlement Implementation Plan (BIA Non-Recurring Programs, Resources Management, Water Management, Planning, and Pre-Development).

(4) Within BIA Law Enforcement, add $500,000 for Warm Springs (BIA Special Programs and Pooled Overhead, Public Safety and Justice).

(5) In IHS Hospitals and Clinics, add $1.75 million for the Warm Springs Joint Venture Pilot Project (Indian Health Services Hospitals and Health Clinics).

(6) Increase BIA and IHS contract support funding to 100 percent (BIA Tribal Priority Allocations, Tribal Government, Contract Support, Indian Health Services, Contract Support Costs).

(7) On trust reform, Office of Special Trustee funding increases must not come out of existing tribal programs, and BIA's reorganization should be deferred until the Trust Officers idea can be examined and clarified and the "As Is/To Be" study is completed.

Mr. Chairman, my Tribe, the Confederated Tribes of Warm Springs, has a 1,000 square mile Reservation in north Central Oregon that is home to most of our 4,200+ members. Over the past several years, the two long-time mainstays of our Reservation economy, timber and hydroelectric revenues, have been steadily declining. Our available timber harvest has fallen by half, and softwood lumber prices are low. Electricity prices, after years of strong fluctuation, have also gone substantially down. Unfortunately, these conditions are projected to continue for at least several

years into the future. We are aggressively pursuing other economic development initiatives, but as I am sure you know, economic development does not come easily to most of Indian Country. We are trying, but at present, not making much headway. In the past, when our tribal revenues were comparatively strong, we were able to significantly contribute to the federal government's provision of services for Warm Springs. But that is not the case today, and we now find we must ask the federal government to more fully abide by its obligations to our Tribe. Accordingly, we hereby present our list of particulars to the U.S. Congress, and ask that you do all you can to honor them and uphold the unique and solemn obligations the United States has pledged to the Warm Springs Tribes.

(1) Add $2 million to BIA TPA Forestry designated for Warm Springs (BIA Tribal Priority Allocations, Resources Management)

The $2 million increase for Warm Springs is necessary for the BIA to fulfill, as a trustee, its legal duties and obligations to properly manage the Tribe's forest resources. BIA funding for management of our 350,000 acre forest is $1,843,000, or $5.26 an acre. With cost of living adjustments, this is in keeping with the 1993 findings of the Congressionally authorized independent Indian Forest Management Assessment Team (IFMAT) that BIA funding per acre was $4.14 at that time, compared to $11.69 per acre for National Forests (roughly one-third the annual funding for National Forests on a per acre basis). This gross inequity continues to hamper the proper management of our forest, and has reaped consequences accordingly: the Tribe has recently prevailed in a forest mismanagement suit against BIA. Yet the BIA has failed to provide any increased resources to correct its deficiencies at Warm Springs. To begin to rectify these inadequacies, we request that a $2 million increase be specified for Warm Springs Forestry the BIA's Tribal Priority Allocation budget, which we estimate will still only bring Warm Springs to approximately two-thirds of parity with National Forests.

We note, and support, the $1.5 million national increase recommended by the Administration for Tribal Priority Allocation Forestry in its fiscal year 2004 request. The Administration recommended a like increase for 2003 that was the first outright increase in Forestry funding since it was slashed by nearly 20 percent in fiscal year 1996.

(2) Restore BIA ESA funding to $3.1 million, with $1.8 million for Northwest tribal ESA compliance activities, including $300,000 for Warm Springs (BIA Non-Recurring Programs, Resources Management)

In fiscal year 1991, Northwest tribes, including Warm Springs, asked Congress to initiate northern spotted owl compliance funding. In fiscal year 1995, $1.7 million for NW tribes was combined with $1.3 million for a Northern Cheyenne prairie project. In fiscal year 2003, BIA proposed to defund almost all the program, but Congress restored $2,697,000 of the $3,000,000. For fiscal year 2004, BIA now proposes $2,198,000, all of which will reportedly go to set-up Regional ESA offices for BIA—none will go to tribes for on-the-ground activities. We request that, for fiscal year 2004, the funding and purpose of the program be restored with $3.1 million, of which $1.8 million is for Northwest tribes, including $300,000 designated for Warm Springs.

(3) Provide $500,000 for a Warm Springs Water Settlement Implementation Plan (BIA Non-Recurring Programs, Resources Management, Water Management, Planning, and Pre-Development)

In 1997, the Warm Springs Tribes reached a water settlement with the United States and the State of Oregon which left most of the water in the Metolius and Deschutes Rivers and does not now require the expensive water development legislation that normally accompanies tribal water settlements. However, $500,000 in BIA financial support is still needed to develop a Comprehensive Warm Springs Water Development Plan, to conduct water quality modeling for the Deschutes River Basin, and to examine potential energy development options. The Warm Springs federal water settlement took years to negotiate, and at the time of its completion was the first settlement achieved by Interior in four or five years. The settlement is now bringing greater water certainty to the Deschutes Basin, but the Tribe now needs Interior's assistance in planning how we may best put our water rights to use.

(4) Within BIA Law Enforcement, add $500,000 for Warm Springs (BIA Special Programs and Pooled Overhead, Public Safety and Justice)

Law enforcement and public safety remain a very high priority at Warm Springs. In the past three years, Tribal leaders have worked to improve law enforcement capability on the Reservation by augmenting Tribally-funded police officers, corrections officers, investigators and fire medics with additional personnel and equipment

supported in part by BIA law enforcement funds. For fiscal year 2004, we note that the President's request for BIA Law Enforcement Services (LES) includes a funding increase of $10,110,000 to $168,774,000. Most of the BIA's LES funding goes to support BIA staffed (direct operations) law enforcement activities on a limited number of reservations while other locations, including Warm Springs, have been left to largely fend for themselves. The Warm Springs Tribal Police Department is the only law enforcement agency responsible for our 1,000 square mile Reservation, as well as numerous off-Reservation trust parcels. With our own Tribal budget declining, and with the Department of Justice COPS program being discontinued at our Reservation, it is essential that BIA law enforcement share its steadily increased funding will all locations, including those such as Warm Springs where BIA has largely abandoned its public safety responsibilities. To restore a measure of balance and fairness to BIA law enforcement, we ask that $500,000 be added for Warm Springs. For fiscal year 2004, the Warm Springs Tribe will contribute $2,600,000 for public safety, and BIA will contribute an estimated $590,000. With the increase of $500,000, the fiscal year 2004 BIA total would still be less than one third of the public safety budget at Warm Springs.

(5) In IHS Hospitals and Clinics, add $1.75 million for the Warm Springs Joint Venture Pilot Project (Indian Health Services Hospitals and Health Clinics).

In 1991, the Congress, Indian Health Service (IHS), and the Warm Springs Tribe entered into an innovative "Joint Venture Pilot Project" to improve health care facilities and services at Warm Springs. The Tribe financed and constructed a new clinic to federal standards and the Congress and IHS agreed to fully fund and staff the enhanced health care program in the new facility. However, the federal funding actually provided has been far short of the promise. Moreover, for the last several years inadequately funded federal mandates have further diminished health services at Warm Springs. We request a $1.75 million increase in funding IHS Hospitals and Clinics to provide full direct services for the Warm Springs Joint Venture.

(6) Increase BIA and IHS contract support funding to 100 percent (BIA Tribal Priority Allocations, Tribal Government, Contract Support, Indian Health Services, Contract Support Costs)

Since 1975, Tribal Self-Determination pursuant to Public Law 93–638 has been the keystone of Federal Indian policy, in which tribes either contract or compact to take over the operation and management of programs otherwise run by the BIA and the IHS. In taking over these activities, tribes incur various unavoidable administrative costs over and above the federal program and program administration costs, including such things as audit and administrative costs for the contract itself (in contrast to the direct administrative costs for a particular program). Lest these unavoidable tribal contract support costs become a disincentive to the tribal assumption of BIA and IHS programs, Public Law 93–638 provides that tribes are to negotiate these costs with the respective Department's Inspector General. The contract support costs are expressed as a percentage of a tribe's amount under contract. Public Law 93–638 then authorizes payment of contract support costs to reimburse the tribe's contract support expenses.

Unfortunately, BIA and IHS budgets have failed to completely reimburse tribes for these unavoidable expenses. In fiscal year 2003, for instance, BIA only reimbursed about 92 percent of tribal contract support costs, leaving tribes to shoulder the remaining 8 percent. Please bear in mind these are costs the tribe would not incur if it were not contracting a program. For fiscal year 2004, we project the BIA and IHS contract support amounts, once again, will only be enough to reimburse 92 percent or 93 percent of tribal contract support costs. Here at Warm Springs, where we have about $17 million under BIA and IHS Public Law 93–638 contracts, the unreimbursed amount we must shoulder is substantial, and with our tribal revenues declining, we are less able to contribute that amount toward the implementation of a federal policy. Accordingly, we request that BIA and IHS contract support be funded at 100 percent for fiscal year 2004, or about $145 million and $283 million respectively.

(7) On trust reform, Office of Special Trustee funding increases must not come out of existing tribal programs, and BIA's reorganization should be deferred until the Trust Officers idea can be examined and clarified and the "As Is/To Be" study is completed

The BIA budget request includes a significant increase for trust management within the BIA and the Office of Special Trustee (OST). A $123 million increase for OST—to $275 million—is partially offset by a $63 million cut to the BIA Construction and an $8 million cut to Indian Water and Claims Settlements. Education Construction will lose $32 million—despite a terrible backlog of new school construction.

Tribal leaders have repeatedly emphasized that funding needed to correct deficiencies in DOI trust management must not come from existing BIA programs or administrative monies. Instead, it is essential that DOI's trust reform funding increases be provided by Congress rather than depleting already insufficient BIA programs.

We are also concerned by Interior's unilateral approach to trust reorganization and their request for significant increased funding for that reorganization with no clear provision for accountability. Increased funding for the OST is potentially an empty promise without clear accountability in place or plans to work with the impacted tribes and individuals. Organizational charts show the establishment of newly created Trust officers, likely placed at every BIA Agency and Regional Office, which may cause significant conflict with the authority held by the BIA Agency Superintendents. Before we create a mini-bureaucracy we would like a detailed examination of the financial and operative impact by both the Congress and impacted the Tribal governments. Moreover, before implementation, the authority and role of the proposed Trust Officers need to be much more clearly defined.

Finally, trust reform should not be carried out until the corrective "To Be" portion of the "As Is/To Be" study of BIA is completed. A rush to trust reform before "To Be" completion will squander millions of dollars and significant tribal contributions, and only help perpetuate BIA's past mistakes in trust management.

This concludes my testimony. Thank you.

PREPARED STATEMENT OF THE CROWNPOINT INSTITUTE OF TECHNOLOGY (CIT)

This testimony CIT requests $1.5 Million for fiscal year 2004 and continuation of Contract Support language under U.S. Department of Interior, Bureau of Indian Affairs. Activity: Special Programs and Pooled Overhead. It is CIT understanding that tribal postsecondary vocational institutions under this program are being internally transferred in the Bureau of Indian Affairs to the Office of Postsecondary Education.

On behalf of the Crownpoint Institute of Technology (CIT), I thank this Subcommittee for appropriating critically needed operational funds, the use of which is described below in quantitative detail. In addition, CIT expresses its deepest gratitude to the Subcommittee for its guidance to the Department on the issue of contract support. Funding for CIT is authorized under Public Law 84–959, "Vocational Training for Adult Indians."

CIT is the only postsecondary vocational educational institution on the Navajo Nation reservation. For academic year 2002–03, CIT's enrollment is 517 Full Time Equivalency or Indian Student Count (FTE/ISC).

The population of the Navajo Nation is 225,298 (U.S. Census 2000). The Navajo Nation is one of the very few tribes with an extant native language. Nearly all Navajo citizens raised on the reservation not only speak the Navajo language but also use it in their daily lives. On trust land alone, 106,432 Navajo citizens are age 18 and over. The median Native American population age is 27.4 years, eight years younger than the median age for mainstream America. Approximately 10,000 Navajo students graduate from area high schools each year. The average CIT student age is 26, with the actual age range being 18 to 64.

The Navajo reservation is an immense and remote 26,897 square miles extending into three States: Arizona, New Mexico and Utah. This reservation is 2,810 square miles larger than the State of West Virginia. The driving distance across the reservation is approximately nine hours. Although distant from major towns, Crownpoint is a major reservation activity center. CIT students come from throughout the reservation, as well as from the towns of Gallup, Cruet, Continental Divide, Fruitland, Kirtland, Mentmore, Rehoboth (all in New Mexico), Durango, Colorado, White Mesa, Utah and the Tohono O'odham and Hopi Reservations in Arizona. Approximately 30 percent of CIT students are from the Arizona side of the Reservation.

It is important that appropriators understand the immense population difference that exists among Indian tribes. One typical comparison is the fifteen tribes in the States of Montana, North Dakota and South Dakota which have a combined population of 72,835 (U.S. Census 2000). The Navajo Nation population is more than three-fold this population. These fifteen tribes have sixteen tribal colleges, each on significantly smaller land bases. These distances are more commutable, and most do not require boarding facilities as CIT does. The Navajo Nation has only one other college, Dine', based in Tsaile, Arizona with eight small branch campuses throughout the reservation. Of the entire Navajo population, only 4.66 percent of high school graduates go on to achieve a bachelor's degree. Only 2 percent achieve Masters degrees, and less than one-half percent earn doctorates. CIT has proven to offer

a realistic educational alternative that equips young adults with meaningful employment skills as well as placing graduates in career track employment.

In order to achieve these goals, CIT has broader infrastructure responsibilities. CIT is campus-based with 153,468 square feet of facilities. The CIT campus includes state of the art classrooms and Veterinary Clinic, modular administrative buildings, library, dormitory, efficiency apartments, married student housing and cafeteria. CIT has no recreation facility. CIT students has a higher proportion with development educational needs, and longer distances travel to school daily. Despite many challenges, CIT earns achievements. In 2003, CIT received a Center for National Excellence award from the U.S. Department of Agriculture for the second time for sincere commitment to student outcomes, one of only eight such awards nationally. Also in 2003, the CIT Culinary Arts Program students won the Hilton Hotels-sponsored creative culinary art award.

CIT continues to increase its student housing capacity with assistance from the Navajo Nation HUD. CIT does not use BIA funding for construction. In 2003, another sixteen married and family student units were completed under Navajo Nation HUD funding. Students with dependant families are among those most in need of acquiring employment skills. CIT opened a new 75 unit efficiency housing for 150 students, but at the same time had to temporarily close its 110 unit dormitory for safety-related repairs to be completed in a year. Each year, CIT has averaged a waiting list of approximately 200 otherwise qualified students due to residential hosing limitations. Rental housing is scarce in the town of Crownpoint. Daily commuting from most parts of the reservation is hindered by poor roads, harsh weather and vast distance, although some students do commute daily up to 70 miles each way. CIT has an eight-year average student retention rate of 95 percent. Due to increased enrollments and funding shortages in Placement personnel, the average job placement has dropped from 86 percent to 75 percent.

CIT is fully-accredited by North Central Association of Colleges and Schools as a vocational educational institution. CIT offers two-year Associate of Applied Science degrees in seven disciplines: Accounting, Administrative Assistant, Applied Computer Technology, Environmental Technology and Natural Resources, Law Advocate, Legal Assistant and Veterinary Technician. CIT offers sixteen vocational certificate programs: Accounting, Administrative Assistant, Applied Computer Technology, Automotive Technology, Building Maintenance, Carpentry, Culinary Arts, Electrical Trades, Environmental Technology and Natural Resources, Law Advocate, Legal Assistant, Nursing Assistant, Veterinary Assistant, Small Business Development (new), Commercial Drivers License and Computer Aided Drafting. In the upcoming year, CIT is ready to offer Alternative Energy to assist the many reservation areas that still do not have access to electricity and possibly never will.

In May 2002, CIT graduated 208 students. This reflects an increase of 25 percent in the number of graduates over the previous year, which was 167 graduates. Approximately 80 percent of CIT completions not continuing their educations had secured employment placement by the time they graduated. Of this number, 86 percent secured full-time employment with the remaining 14 percent accepting seasonal jobs. 54 percent secured employment on-reservation and 46 percent off-reservation. In addition, the region's economy is comprised significantly of self-employed ranchers who by definition are not placed in employment. Several CIT Veterinary students are self-employed ranchers who improve their livelihoods through knowledge and skills learned in the CIT Veterinary Program. Students continuing their educations are considered positive terminations.

Of the above graduating classes (375 students), the CIT Placement Office successfully tracked and job placed 82 percent (308). 92 CIT graduates (30 percent) continued their educations. Funding limitations inhibit the capability of the CIT Placement Office to track and place 100 percent, but indicators over time are that some graduates who do not maintain contact with the Placement Office after graduation may do so because they have no need for job placement services. In other words, they find employment on their own. Of those graduates utilizing CIT placement services the following were placed in jobs or continued their education: Accounting 10 of 10 (100 percent): Administrative Assistant 30 of 43 (70 percent): Applied Computer technology 24 of 44 (55 percent): Automotive Technology 19 of 20 (95 percent): Building Maintenance 15 of 18 (83 percent): Carpentry 17 of 20 (85 percent): Culinary Arts 9 of 12 (75 percent): Electrical Trades 20 of 22 (91 percent): Environmental Technology and Natural Resources 17 of 23 (74 percent): Legal Assistant 5 of 5 (100 percent): Law Advocate 5 of 8 (63 percent): Nursing Assistant 34 of 52 (65 percent): Veterinary Assistant 10 of 13 (77 percent): Commercial Drivers License 16 of 18 (89 percent). Other variables affect employment success rates. For example, Nursing Assistants are in high demand. However, due to housing scarcity and

transportation obstacles, several CIT Nursing Assistant graduates were unable to accept jobs offered.

Of all CIT graduates, the average entry level wage is $17,160 per annum. CIT's Commercial Drivers License (CDL) program graduates earn the highest wage at $16 to $18 an hour, or $33,280 to $37,440 annually if employment remains stable. The next highest paid entry-level wages average by vocational program are: Veterinary Technician/Assistant $23,920: Legal Advocate/Assistant $21,320: Electrical Trades $20,280: Automotive and Environmental Technology, both at $19,760. Even the modest entry-level wages can be deceiving as to the wage once established in that profession. For example, an electrical apprentice will start at $9/$11 hourly. This wage will more than double to $22/$28 hourly in 3½ to 4 years.

For Associate degree students continuing their educations, CIT has articulation agreements with University of New Mexico Albuquerque and Gallup, New Mexico State, Ft. Lewis College, University of Arizona and Northern Arizona University. The University of Pennsylvania and Iowa State University interns participate in CIT's Elk Management Program. In addition, CIT partners this program with the Tohono O'odham Tribe of Arizona where livestock is critical to subsistence. In the Tohono O'odham partnership, CIT addresses the very real problem of migratory livestock disease transmission from across the Mexico border. Partnering with Iowa State and Colorado State Universities, CIT offers an elk and cattle artificial insemination program for the region's ranchers. In response to overgrazing, the Elk Management Program has proven to be a viable alternative livestock offering a threefold return over traditional livestock.

In an average lifetime of employment, CIT graduates will return to the Federal Government the cost of its investment many times over. Each employed graduate pays an average of $2,576 of their earnings to federal taxes in the first year of employment alone. Actual taxes paid differ according to a number of variables, but wage earnings and resultant tax contributions will generally continue over at least thirty years. 62 percent of tracked graduates are employed in private industry and do not rely directly or indirectly on federal appropriations for jobs.

As is prevalent throughout the economically disadvantaged in Native America, many high school graduates are not equipped with skills necessary to enter postsecondary education. To rectify this deficiency among some CIT applicants, CIT will hold its first summer session of Developmental Studies in 2003 for 150 entering students.

CIT continually strives to strengthen its programs. In 2003 CIT will enhance articulation agreements with San Juan and Dine Colleges through standardization of course offerings, particularly in the math and sciences. Through such measures CIT can more effectively ascertain student achievement and modify course offerings as necessary. CIT will require additional resources to retain adjunct faculty in order to achieve this goal.

On behalf of all the CIT students whose quality of life has been immensely improved by Interior appropriations, I thank this Subcommittee for all of its assistance. CIT still faces the challenges described above, and will deeply appreciate and maximally benefit from the modest increase requested from this Subcommittee.

PREPARED STATEMENT OF THE EASTERN SHOSHONE AND NORTHERN ARAPAHO TRIBES

The Wind River Reservation in central Wyoming is home to the Eastern Shoshone Tribe and the Northern Band of the Arapaho, as well as approximately 25,000 non-Indians. The majority of these residents are cattle ranchers, working small ranches to support a modest lifestyle. The Eastern Shoshone and Northern Arapaho respectfully request $3.35 million for the fiscal year 2004, fiscal year 2005, and fiscal year 2006 appropriations cycles to begin the repair and rehabilitation of the Wind River Irrigation Project, which provides vital water to these ranchers.

NEED FOR AN APPROPRIATION

Irrigation on the Wind River Indian Reservation dates back to the early 1860's, prior to the Reservation's establishment in 1868. In 1905, Congress enacted legislation providing, in part, for the construction of an irrigation system to serve Indian lands on the Wind River Reservation. This system, the Wind River Irrigation Project, was never completed, and unfortunately, is in exceptionally poor condition.

During the 1960's, a report completed on the status of the project indicated that 74 percent of the 3,820 structures along the 420 miles of the canal were in dire need of repair. Regardless, restorative efforts were not taken and instead, these structures have continued to deteriorate.

Currently the project encompasses 77,000 acres, of which only 40,000 acres are irrigable. Three major structures are in imminent danger of failure, with only enough emergency funds on hand to repair one such failure. Canals and diversion structures are of inadequate size, canals and laterals have eroded, and extensive seepage is evident along delivery canals and laterals. (Full reports of the deficiencies are available for congressional review.)

Various evaluations by the Bureau of Indian Affairs (BIA), the Tribes, and other entities, have shown that the system is in critical condition and in need of immediate attention to maintain the current economic conditions of the Wind River Reservation. The Project Engineer estimates that major head gate structures will begin failing soon, rendering much of the project unserviceable. One engineering firm suggests that, without action, the Wind River Irrigation Project has a maximum life of seven (7) years. Because 25 percent of the irrigable acreage is idle and lacks an adequate water delivery system, these Indian and non-Indian landowners are denied the ability to make their lands productive.

Further exacerbating the situation, Wyoming is in the midst of its worst drought in more than a century. Failure of the Irrigation Project will devastate these Indian and non-Indian ranchers, and a local economy where agriculture income is key.

ISSUE OF EQUITY

The Wind River Reservation is also home to similar projects, such as the Midvale Irrigation Project. Aimed at providing water to non-Indians residing on the reservation, the Midvale Project has received federal assistance of approximately $1,000/acre for water delivery enhancements and improvements. By comparison, the Wind River Irrigation project has received approximately $100/acre.

It is inequitable for the United States to have funded the non-Indian federal project on the reservation at a level of 90 percent more than the Indian project. The Tribes are simply asking to be provided equitable treatment with other irrigators. The inequities of the past have contributed to 53 percent of our population living below the poverty level, a 49 percent unemployment rate, and the inability to put our land to productive use.

USE OF APPROPRIATIONS

The requested appropriations will be used to begin the rehabilitation process. Specifically, steps will be taken to replace or repair, and correctly size, approximately 11 major headgates; install 2 sand traps; reconfigure, repair, and install pipe on 9.5 miles of lateral; install or repair 14 check and headgate structures; and repair and clean 5 laterals. This work is the initial part of the overall rehabilitation of the project.

In summary the irrigation project is in dire need of federal funding to stabilize and reverse the continuing deterioration of the system. The Eastern Shoshone and the Northern Arapaho Tribes are seeking Congressional appropriations to begin the repair and rehabilitation of the Wind River Irrigation Project. We respectfully request that the Senate Appropriations Subcommittee on Interior and related agencies support the Tribe's request of $3.35 million for each of the fiscal years 2004, 2005, and 2006.

Thank you for the opportunity to present testimony to the Committee on this urgent matter.

PREPARED STATEMENT OF THE FOND DU LAC BAND OF LAKE SUPERIOR CHIPPEWA

I, Robert B. Peacock, Chairman of the Fond du Lac Band of Lake Superior Chippewa would like to thank you for this opportunity to present written testimony on fiscal year 2004 appropriations for the Department of Interior. The Fond du Lac Reservation was established by Treaty with the United States on September 30, 1854 and encompasses 100,000 acres of land in northeastern Minnesota. There is a population of 6,500 Indian people that live within the service area of the Reservation with the Band providing employment or services to most of them. On behalf of the Fond du Lac Band, I am asking that you increase the bands funding from the Bureau of Indian Affairs by $9 million for fiscal year 2004 to develop the infrastructure necessary to continue to serve and protect the resources of the band. I also request that $915,000 be provided for the Circle of Flight program under the BIA's Other Recurring Programs—Resource Management line item. The Dept. of Interior's Tribal Wildlife Grant Program was funded at $5 million, and I request that this Grant Program be funded at this level for fiscal year 2004.

We strongly support the Administration's request of additional funding under the Indian Country Law Enforcement Initiative. In 1997 the Minnesota Supreme Court held that certain traffic regulations including, speeding, driving without a license, and driving with no insurance were "civil-regulatory" in nature and under Public Law 280 are unenforceable by state police officers on the Reservation. The ruling known as the Stone decision, left a jurisdictional void with regard to law enforcement on the roads within Indian Reservations in the State. In order to fill this void, the Band has undertaken the establishment of it's own Tribal police force through the Community Oriented Policing Services, Bureau of Indian Affairs and Tribal funds. In addition, the Band has worked with all local law enforcement agencies to establish a cross deputization agreement that ensures maximum law enforcement protection for the Reservation and it's citizens by allowing all law enforcement agencies within the Reservation boundaries to enforce each other's laws. However, because of the short-term, limited financial resources available, there are significant unmet needs in this area. At Fond du Lac, we need long term funding to pay for staff and equipment to adequately ensure the safety of the Reservation population. In light of the Stone decision, we ask this committee to support the Administration's request for investment in strengthening Indian Country's Law Enforcement and Criminal Justice System and ask that this committee consider placing these initiatives into the BIA's permanent base budget. The Band currently employs seven police officers, six conservation officers, one records clerk, one prosecuting attorney, one clerk of court, one part time court recorder, and one part time judge. All of these staff positions are located within the Resource Management division. Along with this staff, are thirty other permanent full time staff and fifteen full time seasonal staff housed in a building that was designed to house twenty. With the increased responsibility assumed by the Band there is an ever increasing need to expand the staff and it's capabilities. With this in mind, we request a one time allocation of $6 million to the Band for expansion of the office space for the Resource Management Division. We are also requesting that $1.5 million be added to our base budget to continue to implement and staff the court and enforcement systems for the Band.

Under Treaties with the United States made in 1837 and 1854 the Fond du Lac Band reserved the right to hunt, fish and gather on the lands ceded, a large portion of central and northeastern Minnesota, to the United States. The Band's rights under these treaties have been recognized and upheld by the federal courts—most recently the United States Supreme Court. On March 24, 1999 the Supreme Court issued a decision expressly re-affirming the Band's hunting and fishing rights in the 1837 Ceded Territory. Under established Band conservation law, the exercise of these off-reservation treaty rights require that the Band take the steps necessary to ensure proper use and management of the natural resources. This means the Band is responsible for member's hunting, fishing and gathering activities over approximately 8,000,000 acres of land. The Band has adopted, along with the federal courts, a code and a resource management plan that protects the exercise of treaty reserved rights and the resources. It is very essential that the Band continues to manage it's on-reservation resources in order to meet the demands of an increasing population. Established by the Treaty of 1854 with the United States, the home of the Band is 100,000 acres in northeastern Minnesota. The waters, wildlife, wild rice and the forest resources of the reservation are vitally important to it's members as these resources provide the foundation for our culture, subsistence, employment and recreation. The Fond du Lac Reservation includes some 3,200 acres of lakes, 1,900 acres of wild rice lakes and associated wetlands, 66 miles of cool water streams, and 17,500 acres of forest with the remaining acres being used by individual land owner for housing and development. The increasing resident population and development are placing all resources under great stress. The loss of wild rice acres, wildlife habitat, and the decline of our forest are of great concern to the Band. Therefore, we are seeking an additional $1.5 million be added to the Band's base budget for the Fond du Lac Resource Management Division, for it's natural resource programs, that will enable us to protect these resources for the future generations on Fond du Lac.

In the $1.5 million request, we seek an additional $100,000 increase to the base budget of the Fond du Lac Natural Resources Program. The Fond du Lac Natural Resources program carries out the essential fisheries, wildlife and wild rice programs on the Fond du Lac Reservation. This Program is restoring over 1,000 acres of wild rice on our Reservation's wild rice lakes, and is also conducting a long term project to restore the lake sturgeon to the upper St. Louis River. The funds for this program have not been increased since 1991 and the cost of conducting these resource management programs has increased substantially.

Another important resource management need is to obtain funds to address the threat of Chronic Wasting Disease (CWD), which has recently infected white tailed

deer in our region. CWD poses a very serious threat to the health of the white tailed deer herds and potentially to the moose population in northern Minnesota. Where it has been found, the only known treatment is eradication of captive herds and great reduction in the wild deer herds. The impacts of CWD on human health are currently unknown, but warrant further investigation. The potential harm to the deer population in this region has serious implications for Native Americans, because for a majority of Fond du Lac Band Members, deer comprise 25–30 percent of their diet. Therefore, we urgently request $75,000 in base program funds for our Conservation Enforcement Program. The long term funding of this project is necessary for our Conservation Enforcement and Wildlife staff to collect the samples from hunters for analysis, in order to identify the frequency and range of infected deer in Northeastern Minnesota. This is the area in which our Band Members frequently hunt for deer and moose. If infected animals are found, a program of deer harvesting to thin the local herd is essential in order to prevent or limit the expansion of this disease.

We ask that the House Appropriations Committee support the Fond du Lac Band in behalf of the Fond du Lac Ojibwe Schools to support all Bureau of Indian Affairs requests for education programs.

The Circle of Flight.—Tribal Wetland & Waterfowl Enhancement Initiative program, under the BIA's Other Recurring Programs category, was again eliminated in President Bush's fiscal year 2004 budget request. The Circle of Flight program has been one of Interior's top trust resource protection programs for 10 years. Since fiscal year 1991, Great Lakes tribes and other partners have restored or enhanced more than 66,000 wetland, wild rice, grassland and native prairie acres, and installed thousands of waterfowl nest structures. Wild rice lakes provide high quality forage for migratory waterfowl as well as waterfowl nesting habitat. The Circle of Flight program enabled the Great Lakes tribes to become key partners with federal, state, and local government units, as well as private organizations such as Ducks Unlimited, the Nature Conservancy. The Circle of Flight program has invested more than $6 million in habitat projects, and has leveraged these dollars for an additional $18 million in federal, state, private, and tribal funding, yielding and impressive match ratio of 3 to 1. The elimination of the Circle of Flight program would cripple the Great Lakes tribe's ability to continue these successful partnerships, which have benefited a diverse array of wildlife species and their associated habitats. I ask that you restore the Circle of Flight program to the BIA's fiscal year 2004 budget to at least the fiscal year 2003 level of $594,000, and to consider providing the fiscal year 2004 requested amount of $915,000.

I thank the Committee for the new $5 million Tribal Wildlife Grants program in the Interior Conservation Spending category in fiscal year 2002 and 2003. Even though this amount represents only .28 percent of this Title, whereas tribes are directly responsible for protecting at least 2.35 percent of the land area of the United States, it represents a good start at helping to address the massive unmet need tribes have in meeting their conservation responsibilities. I ask that you consider increasing the Tribal Wildlife Grant program to $10 million in fiscal year 2004.

In conclusion, the needs at Fond du Lac and throughout Indian Country remain massive. Your support to preserve the current BIA funding request is critical to maintain current program levels. Your consideration for our additional funding requests will enable us to improve the delivery of services to Band members and help ensure that we enter the 21st Century with a renewed sense of hope.

Miigwech. Thank you.

LETTER FROM THE FREMONT COUNTY, WY LEGISLATIVE DELEGATION AND MEMBERS OF THE SELECT COMMITTEE ON TRIBAL RELATIONS

APRIL 11, 2003.

Re Support for Funding to Rehabilitate the Wind River Irrigation Project.

Hon. CONRAD BURNS,
Chairman, Interior Appropriations Subcommittee, U.S. Senate, Washington, DC.

DEAR SENATOR BURNS: We, the Fremont County, Wyoming legislative delegation and members of the Select Committee on Tribal Relations, are writing this letter to express our support for the Eastern Shoshone Tribe and the Northern Arapaho Tribe's fiscal year 2004 appropriations request to begin rehabilitation of the Wind River Irrigation Project. The Tribes are in significant need of water development funding.

The Bureau of Indian Affairs-administered Wind River Irrigation Project is in a condition of severe disrepair, with over $50 million in deferred maintenance. The recent drought has highlighted the inefficiency of water delivery on the Wind River Irrigation Project. In addition, many of the essential delivery structures arc in danger of failing. If rehabilitation does not occur soon, the system will become inoperable.

During Wyoming's last legislative session we worked closely with the Eastern Shoshone and Northern Arapaho Tribes to develop and pass legislation which will enable the Tribes to act as sponsors of water development projects through the Wyoming Water Development Program. Due to the poor condition of water delivery infrastructure on the WRIR, a combination of federal and state funds will likely be needed to meet all the water development needs of the Tribes. A federal appropriation for irrigation rehabilitation on the WRIR for fiscal year 2004 will encourage favorable consideration by the Wyoming legislature for the Tribal request for Wyoming Water Development funding during the next legislative session.

If we can be of further assistance, please contact us at our respective addresses and phone numbers. We respectfully ask that you support this much needed appropriation.

Sincerely,

Senator CALE CASE,
Lander, WY.

Senator BOB PECK,
Riverton, WY.

Representative HARRY TIPTON,
Lander, WY.

PREPARED STATEMENT OF THE GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

BIA Treaty Rights Protection/Implementation: $3,966,000 (enacted fiscal year 2003).—Operation of Indian Programs, Other Recurring Programs, Resources Management, Rights Protection/Implementation, Great Lakes Area Resource Management.

GLIFWC seeks to maintain the base budget that Congress has provided for the past two years. The "Green Book" is not yet available for fiscal year 2004, but GLIFWC presumes that, as with previous budget proposals, the Administration will propose funding at $300,000 below the enacted fiscal year 2003 amount. Since GLIFWC's inception in 1984, Congress consistently has recognized the need to maintain GLIFWC's core natural resource conservation and law enforcement programs. For example, Congress provided funds in fiscal year 2002 to restore GLIFWC program cuts caused by chronic underfunding. And, in fiscal year 2003, Congress restored the Administration's proposed cut of nearly $300,000 from GLIFWC's enacted fiscal year 2002 funding.

The requested fiscal year 2004 funds would allow GLIFWC to maintain its programs that fulfill important federal obligations to its 11 member Ojibwe Tribes and that provide a wide range of associated public benefits. With full base funding, GLIFWC's will be able to meet its duties under a number of federal court decisions. And, it can remain a viable conservation and public safety partner in Wisconsin, Michigan and Minnesota at a time when many surrounding agencies have been hit hard by the call to active military duty.

BIA Contract Support Costs.—GLIFWC also seeks full funding of its contract support costs, as it has experienced a $250,000 shortfall since 1995. This shortfall cuts into program funding, and the lack of funding certainty throughout the year further compounds its effect. GLIFWC's indirect cost rate has always been below 15.25 percent, and was 14.2 percent in fiscal year 2002. Such a low rate is difficult to maintain when actual funding is not known until the end of the fiscal year.

BIA "Circle of Flight" Program.—GLIFWC supports funding to Operation of Indian Programs, Other Recurring Programs, Resources Management, Tribal Management Development Programs, Wetlands/Waterfowl Management. In fiscal year 2003, the Administration proposed to eliminate this long-standing tribal contribution to the North American Waterfowl Management Plan. Congress disagreed, and restored the necessary funding. Over the past 11 years, the roughly $7 million provided to Tribes, including to GLIFWC and its member Tribes, has leveraged over $18 million—a 2.5 to 1 ratio—in matching federal, state, private, and other tribal funding for cooperative wetland enhancement projects.

Ceded Territory Treaty Rights and GLIFWC'S Role.—GLIFWC was established in 1984 as a "tribal organization" within the meaning of the Indian Self-Determination Act (Public Law 93–638) to assist its member Tribes in:

—securing and implementing treaty guaranteed rights to hunt, fish, and gather in Chippewa treaty ceded territories; and

—cooperatively managing and protecting ceded territory natural resources and their habitats.

It exercises authority delegated by its member Tribes to implement federal court orders and various interjurisdictional agreements related to their treaty rights. It serves as a cost efficient agency to conserve natural resources, to effectively regulate harvests of natural resources shared among treaty signatory Tribes, and to develop cooperative partnerships with other government agencies, educational institutions, and non-governmental organizations.

Congress has funded GLIFWC for the past 17 years to meet specific federal obligations under: (a) a number of U.S./Chippewa treaties; (b) the federal trust responsibility; (c) the Indian Self-Determination Act; and (d) various court decisions, including a 1999 U.S. Supreme Court case, affirming the treaty rights of GLIFWC's member Tribes.

Under the direction of its member Tribes, GLIFWC operates a ceded territory hunting, fishing, and gathering rights protection/implementation program through its staff of biologists, technicians, conservation enforcement officers, and public information specialists. Its activities include: natural resource population assessments and studies; harvest monitoring and reporting; enforcement of tribal conservation codes into tribal courts; funding for tribal courts and tribal registration/permit stations; development of natural resource management plans and tribal regulations; negotiation and implementation of agreements with state, federal and local agencies; invasive species eradication and control projects; biological and scientific research; and development and dissemination of public information materials.

Why GLIFWC'S Funding Base Needs to be Maintained.—A $300,000 cut in GLIFWC's base funding will threaten a number of its core programs. This is best illustrated by how the restored funding in fiscal year 2003 was used: to reinstitute fall juvenile walleye recruitment surveys at previous levels; to restore tribal court and registration station funding cuts; to restore Lake Superior lamprey control and whitefish assessment programs; to restore GLIFWC's share in cooperative wildlife and wild rice enhancement projects; to replace ageing equipment; to meet expanding harvest monitoring needs; and to meet uncontrollable increases in employee benefit costs (particularly health and other insurance).

In addition, a continued base funding level will ensure GLIFWC's participation in regional emergency services networks at a time when many personnel of surrounding agencies have been called to active military duty. GLIFWC's officers are integral partners with surrounding emergency responders. They not only enforce the Tribes' conservation codes, but also work cooperatively with surrounding authorities in detecting violations of state or federal criminal and conservation laws. Moreover, they are certified medical emergency first responders, including in CPR and in the use of defibrillators, and are trained in search and rescue.

GLIFWC has worked hard to streamline its programs and institute other cost-saving options. Specifically, it has: (i) cut staff; (ii) teamed up with its partners to maximize the cost efficiency of cooperative projects; (iii) obtained separate contract support funding from the BIA; and (iv) diversified its funding from non-BIA sources to build upon its Self-Determination Act funding and to undertake special projects.

How the Restored Base Funding Would be Used.—The $300,000 would be used the same in fiscal year 2004 as it was in fiscal year 2003—(1) Restore Cut or Reduced Programs ($160,000)[1]; (2) Replace Ageing Vehicles and Field Equipment ($100,000)[2]; and (3) Meet Increased Personnel and Fringe Costs ($40,000).

Public Benefits From GLIFWC's Funding.—With the requested funds, GLIFWC will:

---

[1] $100,000 to restore fall juvenile walleye recruitment surveys to previous levels; $30,000 to restore tribal court and registration station funding cuts; $10,500 to restore Lake Superior lamprey control and whitefish assessment programs; $15,000 to meet harvest monitoring obligations; and $4,500 to restore GLIFWC's share in cooperative wildlife and wild rice enhancement projects with state and federal agencies, as well as with non-profit conservation organizations and other partners.

[2] With fiscal year 2003 funds, GLIFWC replenished a $100,000 vehicle/equipment replacement capital fund and replaced a number of its oldest vehicles and equipment that had become obsolete or economically inefficient to operate and maintain. This fund would be replenished again with fiscal year 2004 funds to cover some of the over $200,000 in other vehicle/equipment replacement needs.

1. *Remain a constructive, stabilizing natural resource management and public safety institution*.—GLIFWC provides continuity and stability in interagency relationships and among its member Tribes, and contributes to social stability in the ceded territory in the context of treaty rights issues. It is a recognized and valued partner in natural resource management, in emergency services networks, and in providing accurate information to the public.

2. *Retain an Experienced Professional Staff*.—In many instances, GLIFWC staff experience matches or exceeds that of their counterparts in other agencies when it comes to treaty rights issues and to ceded territory natural resource management and enforcement.

3. *Maintain cooperative, cost-effective partnerships*.—GLIFWC has built partnerships with:

—Federal, state, and local government agencies (e.g. State DNR's, USFWS, USDA-FS, USDA-NRCS, Great Lakes Fishery Commission, US Coast Guard, EPA, ATSDR, HHS-ANA, and Canadian federal and provincial governments);
—Schools and Universities (e.g. University of Wisconsin-Madison, University of Wisconsin-Superior, Northland College, University of Minnesota, and Lac Courte Oreilles Ojibwe Community College); and
—Conservation groups (e.g. Ducks Unlimited, the Sharp-Tail Grouse Society, the Natural Resources Foundation, the Nature Conservancy, and local lake associations).

Through these partnerships, the parties have achieved public benefits that no one partner could have achieved alone by:

—Identifying mutual natural resource concerns, and implementing joint conservation and enhancement projects (e.g. wild rice restoration, waterfowl habitat restoration and improvement projects, and exotic species control projects);
—Providing accurate information on state and tribal harvests and on the status of natural resource populations (e.g. joint fishery assessment activities and jointly prepared reports);
—Maximizing financial resources to avoid duplication of effort and costs (e.g. coordinating annual fishery assessment schedules and sharing personnel/equipment);
—Contributing scientific research and data regarding natural resources and public health (e.g. furbearer/predator research, fish consumption/human health studies, and other fish contaminant research particularly regarding mercury); and
—Engendering cooperation rather than competition (e.g. cooperative law enforcement and emergency response, joint training sessions, mutual aid emergency services arrangements, and cross-credential agreements).

PREPARED STATEMENT OF THE HOOPA TRIBE OF CALIFORNIA

The Hoopa Tribe respectfully submits this written testimony regarding the fiscal year 2004 budget for the Bureau of Indian Affairs. A summary of my requests are as follows:

—Request support for the California Trust Reform Pilot Project
—$319,000 for Forest Development Add-On.
—$546,000 for Timber Sale Preparation and Administration.
—$228,000 for Forest Program Management.
—$194,000 for Forest Inventories and Plans.
—$435,000 for Road Maintenance and Improvements.

NARRATIVE OF REQUEST

California Trust Reform Pilot Project.—In 1997, the Hoopa, Karuk, Redding Rancheria, Yurok, Big Lagoon, Cabazon Tribes formed the California Trust Reform Consortium. The Guidiville Indian Rancheria joined in 2002. The purpose of the Consortium is to work with the Bureau of Indian Affairs Pacific Regional Office (PRO) to improve management of trust activities being performed by the Federal Government and member Tribes. A part of the Consortium's efforts has been to work with the PRO to identify problem areas related to management and protection of trust assets, identify and resolve funding and staffing shortages and address policy and regulatory conflicts that arise during tribal and BIA management of trust resources. The ongoing working relationship between the member tribes and the PRO has provided a meaningful way for the tribes and the PRO to identify trust issues as they arise and effectively resolve them before a legal or breach of trust issue can develop between the parties.

The California Trust Reform Pilot Project has been tremendously successful for both the BIA and Tribes. Further, the ongoing working relationship has created new opportunities to begin working on trust issues that were never before been addressed and has facilitated a positive environment to emerge to support economic development and enhance tribal management and infrastructure. Therefore, the California Trust Reform Consortium requests that the Subcommittee provide language in the Appropriations Report that continues the support for this important and successful effort.

Forest Development—$319,000.—The current Forest Development budget for Hoopa is used for the salary of one person whose sole responsibility is to lay out pre-commercial thinning projects for the Hoopa Reservation. In addition, Tribal funds are used to pay for one-half of the salary of the certified silviculturist who oversees projects as they are carried out by local Indian contractors. To date, the Tribe has implemented over 5,000 acres of thin and release projects on the Reservation, which has generated more than 100 man years of work during the past ten years. Pre-commercial thin and release projects are designed to remove competition from non-commercial vegetation of forest lands and to remove brush that has historically contributed to wildland fires. This funding increase will allow the Tribe to carry out this important trust responsibility activity at a level to keep up with non-commercial vegetation growth by increasing the "on- the -ground" work that is needed for proper for management of Indian trust assets. These funds would allow the Tribe to thin and release an additional 1,000 acres of newer second growth timber stands that have not thinned since 1970 due to the lack of funding. In addition, this funding would allow the Tribe to hire another one full time employee that is critically needed to carry out these efforts.

Timber Sale Layout and Administration—$546,000.—This program is responsible for overseeing the preparation, layout, documentation in FOR's and contracts, and for administering of timber sale contracts used to harvest approximately $8 million of annual tribal timber sales. The program provides timber sale layout, administration, scaling, and small sales for Indian allotments. The Tribe currently funds nearly all of the layout and small sales work with tribal funds, including timber sales for individual Indian allottees. These funds would allow the Tribe to hire a timber management officer, two sale administrators and two scaling technician, which compose the minimal trust oversight obligations for these responsibilities. In addition, the funding requested would allow the Tribe to establish the necessary staffing and resources needed to carry out timber sales activities in accordance with federal timber statutes and regulations.

Forest Program Management—$228,000.—This program pays for the central administrative staff that is necessary to oversee all Tribal and individual Indian timber sales, management of timber trust assets and provide technical assistance where needed relating to forest and timber land activities to the Tribe and Indian allottees. The funding request would not only support the administrative functions of the Hoopa Forestry Department but would also provide funds for a personnel clerk for the 70 Forestry Department staff and for a grants and contracts personnel, neither of which are not presently funded by the BIA. These funds would also allow the Forestry Administration to properly manage contracts for Forest development projects and conduct proper oversight functions for timber sale site pre-preparation, prescribed burning activities, reforestation and grubbing, as well as other activities, such as NEPA, botany surveys and Endangered Species oversight.

Forest Management Planning and Inventories—$194,000.—Forest Management Planning and Inventories is responsible for all initial project planning including the development and approval of Environmental Assessments (EA) for all projects. Approximately three to five EA's are produced annually, including timber sale project EA's and road development. Presently, this important component of the Tribal Forestry Department is not funded by the BIA.

Roads Maintenance and Improvements—$435,000.—There are 450 miles of system roads on the Hoopa Reservation, of which only 130 miles are on the BIA road maintenance schedule. There are an additional 100 miles of roads that are in very poor condition that continuously contribute to fishery stream sedimentation due to winter landslides and blown out culverts, as well as create wildland fire hazards due to brush overgrowth and allow trespass and illegal wood cutting by outsiders. The present funding level of the BIA Road maintenance Program for only the 130 miles of roads that are on the BIA maintenance schedule for the Reservation is $132,000, which is 11.59 percent of need. In 1992, the Tribe hired an engineering firm to assess the road conditions and establish an adequate maintenance budget and schedule. The firm's analysis determined that an annual additional operating budget of $435,000 would be required to properly manage Reservation roads.

CONCLUSION

The California Trust Reform Pilot Project has been a proven success in improving the management of trust assets and improving the working relationship between the member tribes and the BIA. We request the Subcommittee's support for continuing this Pilot Project. With respect to Forest Management and Road Maintenance, the BIA's budget is significantly short of demonstrated need. The Tribe will have an extremely difficult time continuing to carry out these federal trust responsibility activities without the funding requested.

Should you have any questions, please do not hesitate to contact me at (530) 625–4211 ext. 102 or via email at lyle__marshall@hotmail.com.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

BUREAU OF INDIAN AFFAIRS (BIA)

The management of multi-jurisdictional fish, wildlife and outdoor recreation resources on Indian reservations and in treaty-ceded areas is a complex process requiring the implementation of comprehensive programs comparable to those conducted by State and Federal fish and wildlife agencies. The shared status of many fish and wildlife resources and the roles and responsibilities of many Tribal governments as resource co-managers require close coordination with State, Federal and other resource management authorities. Effective Tribal participation promotes and facilitates fish and wildlife conservation for the benefit of Tribal and non-Tribal communities alike. For these reasons, the Association continues to be concerned by the woefully inadequate Wildlife and Parks budget of the Bureau of Indian Affairs. The base request for fiscal year 2004 of $24.2 million is virtually identical to the fiscal year 2003 request and is more than a $7 million (23 percent) reduction from the fiscal year 2002 enacted budget for this program. This is an inappropriate and inadequate response to the needs on Tribal lands. The Association encourages Congress to restore these cuts and subsequently appropriate additional funds to begin to address long-standing resource needs on Tribal lands.

The fiscal year 2004 budget request includes $434,000 for fish hatchery maintenance, an amount that mirrors the current year's budget, which barely recognizes the more than $25 million backlog in required hatchery maintenance. This amounts to approximately $3,600 per year for each of the 120 currently operating Tribal hatcheries and rearing facilities across the country, and falls far short of addressing even minor maintenance requirements. The Association strongly recommends a significantly increased funding level for fiscal year 2004 and out years with the objective of eliminating the fish hatchery maintenance backlog by fiscal year 2010.

The Association has, in the past, strongly supported the agency's request for fish hatchery rehabilitation to rehabilitate Tribal fish hatcheries and replace capitalized equipment for the highest priority projects. Not since fiscal year 1995 has Congress appropriated money for such rehabilitation. The Association strongly recommends that Congress reestablish the fiscal year 1995 funding base of $1.5 million to replace failing systems and modernize Tribal fish hatcheries to enable them to optimize fish production. This funding would help satisfy vital Tribal fishery needs.

The Association believes that Tribal lands are integral to the maintenance and recovery of threatened and endangered species. Presently, the majority of Tribes are unable to be parties to candidate species studies and conservation agreements due principally to lack of funding. The Association strongly recommends an increase of $900,000 to the fish hatchery operations line-item for the Tribes to participate in all phases of the endangered species recovery process. This would enable Tribes to begin to address listed species needs and recovery of species from which all Americans benefit.

The Association is concerned about the funding being requested for endangered species activities within the non-recurring portion of the budget request. The $2.19 million being requested for this function is a considerable improvement over the President's 2003 budget request of $197,000, but still falls short of addressing nearly $70 million in identified needs for this program area. While important work related to monitoring spotted owls and marbled murrelets in the Pacific Northwest and the range management improvements related to black-tailed prairie dogs and black-footed ferrets in South Dakota will be allowed to continue, funding is below the level needed. The Association, therefore, recommends an increase of $.8 million to the fiscal year 2004 Tribal endangered species budget category to fully fund the aforementioned projects and significantly increased funding in the out years with

the objective of addressing the backlog of needed endangered species conservation efforts by fiscal year 2010.

The fiscal year 2002 budget ceased listing the funds for Alaska Subsistence as a separate line-item and placed the funding for this purpose in the Tribal Management/Development Program, and that practice continues in the fiscal year 2004 budget. Given that provisions for subsistence in Alaska are not specific to Tribes, the Association recommends that this program be identified as a separate line-item in the same fashion as other Interior agencies.

The Association opposes the elimination of $2.85 million from the base budget of Wildlife and Parks. The six programs being eliminated in Tribal Management/Development programs are:

1. The Chugach Regional Resources Commission. The Commission, which encourages and oversees Native resource development programs for five Native Villages along the northern rim of the Gulf of Alaska, has been funded since fiscal year 1991. The Association supports the reinstatement of the full $347,000 to fund this important project in the coming fiscal year.

2. The Alaska Sea Otter Commission. This Tribal consortium promotes Native participation in resource policy decisions pertaining to the sea otter and has been funded since fiscal year 1993. The Association supports the reinstatement of the full $69,000 to fund this important project in the coming fiscal year.

3. The Bering Sea Fisherman's Association. This association has been funded since fiscal year 1994 and supports the involvement of Alaska Native tribes and organizations in salmon research and monitoring projects in the Arctic-Yukon-Kuskokwim region of Alaska. The Association supports the reinstatement of the full $803,000 to fund this important project in the coming fiscal year.

4. The Lake Roosevelt Management Project in Washington State. Funding has been provided in the past through negotiated contracts with the Confederated Colville Tribes and the Spokane Tribe. Funds are used to implement a cooperative management agreement between the Tribes and the Department of the Interior for managing outdoor recreation in and around Lake Roosevelt. Funds support Tribal programs focusing on the management, planning and regulation of fishing, boating, camping and related public use activities occurring within the Reservation Zone of the Lake Roosevelt Recreation Area. Funding from this account also supports the Lake Roosevelt Water Quality Management Council. The Association supports the reinstatement of the full $630,000 to fund this important project in the coming fiscal year.

5. Upper Columbia United Tribes. These funds have been provided since fiscal year 1988 to the Kalispell, Kootenai, Spokane, and Coeur d'Alene Tribes to protect tribal hunting, fishing, and gathering rights and conservation projects in the Upper Columbia River Basin. The Association supports the reinstatement of the full $418,000 to fund this important project in the coming fiscal year.

6. Wetlands/Waterfowl Management. Tribes in Minnesota, Michigan, and Wisconsin have been provided vital funding, since fiscal year 1991, for wetland rehabilitation and enhancement in cooperation with the North American Waterfowl Management Plan, designed to add tens of thousands of ducks and geese to spring and fall migrations. The Association supports the reinstatement of the full $600,000 to fund this important project in the coming fiscal year.

While the Association is opposed to diversion of Sport Fish and Wildlife Restoration Program funds for Tribal use, it is committed to adequate federal funding to provide for professional management of Tribal fish and wildlife resources. The Association believes that Native American Tribes have identified legitimate funding needs for fish and wildlife on millions of acres of Tribal lands. Adequate funding preserves and enhances the cultural heritage of Native American Tribes, while providing positive economic benefits, and ensuring the conservation of significant fish and wildlife resources.

PREPARED STATEMENT OF THE INTERTRIBAL BISON COOPERATIVE

INTRODUCTION & BACKGROUND

My name is Ervin Carlson, a Tribal Council member of the Blackfeet Tribe. I am President of the InterTribal Bison Cooperative (ITBC). On behalf of our 51 member Tribes, I would like to thank the honorable members of the committee for this opportunity to provide written testimony. On behalf of ITBC, I would like to address the following issues: (1) Request an appropriation of $3,000,000 for fiscal year 2004, which is an increase of $1,250,000 over last year's appropriation, (2) Explain to the

committee ITBC's unmet funding need of $19.4 million, and (3) Update the committee on ITBC's present initiatives.

The InterTribal Bison Cooperative (ITBC), located in Rapid City, South Dakota, is a Native American non-profit organization composed of 51 federally recognized Indian Tribes within a 17 state region. ITBC is dedicated to the development and restoration of buffalo on Indian lands for the economic, agricultural, environmental, spiritual and cultural purposes of Indian Nations. Additionally, ITBC acts as an informal guardian of the buffalo to promote, protect and preserve buffalo traditions within the United States.

In 1992, ITBC was created as an initiative of the Bush Administration. The organization intended to promote development of Indian reservation lands that could not sustain other successful economic or agricultural projects. Often, Indian reservation lands were of a poor quality and not able to sustain any sort of farm, wildlife or livestock projects. Since buffalo had occupied these lands for centuries before they were hunted to near extinction in the 1800's, ITBC believed buffalo could once again thrive successfully on reservation land.

Buffalo provided subsistence to the Native people. In the Plains Indian culture, the buffalo provided food, housing, materials and tools used in daily life, and a philosophic and cultural basis for everyday life. Originally, ITBC was organized to preserve the sacred relationship between Indian tribes and the buffalo. Tribal buffalo operations are a logical extension of an historic way of life and also serve as a source of economic opportunities on tribal lands. Restoring these animals is critical to the health of Indian nations. Indian Tribes approach buffalo herd development with a seriousness and respect that other economic development projects may not receive.

Today, as a result of federal appropriations and ITBC's efforts, buffalo are once again thriving on tribal lands. ITBC has played a significant role in this restoration and is now making every effort to assure that the Tribal buffalo projects are economically sustainable.

FUNDING REQUEST

The InterTribal Bison Cooperative respectfully requests an appropriation for fiscal year 2004 in the amount of $3,000,000. This amount is $1,250,000 above the fiscal year 2003 appropriation for ITBC and is greatly needed to maintain last years funding level and to help build economic sustainability to the Tribal projects.

FUNDING SHORTFALL & UNMET NEED

In fiscal year 2003, the ITBC and its member tribes were funded through appropriations at $1,746,000. The President's budget for fiscal year 2004 recommends a funding amount of $1,146,000 which is a decrease of $600,000 at a time when the current market price for buffalo is only 10 percent of the price three years ago.

At the current level of funding, many of our member tribes cannot receive adequate technical assistance, product and resource development, nor do they receive funding for start-up or maintenance costs.

ITBC is a cooperative with 100 percent of the appropriated funds going toward the support and development of Tribal buffalo herds and buffalo product business ventures. ITBC funding is distributed among all ITBC member Tribes. In fact, an important aspect of ITBC is the cooperative agreement that member Tribes have reached in regard to the sharing of ITBC funding.

Each year, ITBC surveys all its member tribes to determine their unmet project needs. The current unmet need for ITBC tribal projects to fully develop is $19,378,367. I have attached the Tribal Bison Project Proposal summaries for your review, which details each of ITBC member tribe's projects and financial need.

ITBC GOALS & INITIATIVES

The immediate goal of ITBC is the restoration of the buffalo on Indian lands through the development of Tribal buffalo herds and related economic development projects. The ultimate goal is for Tribal buffalo herds to reach a point of self-sufficiency and once again become an economic cornerstone throughout Indian country.

Economic Development.

In 1991, seven Indian tribes had small buffalo herds, with a combined total of 1,500 animals. Little or no economic development was taking place with the buffalo. ITBC has proven its success in restoration of tribal buffalo herds during its relatively short 10-year history. Today, with the support and technical assistance of ITBC, over 35 Indian Tribes are engaged in raising buffalo. There are approximately 15,000 animals owned and managed by these Tribes. Many of these Tribal buffalo

programs are on the verge of becoming fully self-sufficient and successful operations. Most important for the Tribal economies, a new industry has been born where previously none existed. Hundreds of direct and indirect jobs relating to the tribal buffalo industry have been created. The positive impact to Indian country has been unmistakable.

However, in order to become fully self sufficient and sustainable the Tribes must be able to build a solid foundation for this new industry. ITBC provides critical assistance to member Tribes who must have sustainable management plans, infrastructure growth and development plans, training for the new jobs being created, and as the herds grow and develop, marketing plans as well. Therefore, in order to provide the necessary assistance ITBC is ready to begin a marketing initiative.

Tribal Buffalo Marketing Initiative

When the tribal buffalo are finally, ready for market, ITBC member tribes face yet another obstacle to economic success. Few meat processing plants exist that can process buffalo. The geographic isolation that is common to most of our Tribes, further compounds the problem by increasing operating costs and reduces the quality of the meat by introducing unnecessary and harmful stress to the animals. Because the Tribal buffalo are range fed many existing plants will not allow them to be processed. Therefore, ITBC supports the development of tribally owned processing facilities that will accept range fed buffalo and assure product identity and quality control.

Currently, there is only one Indian-owned, USDA approved, meat-processing plant. This plant is located in Malta, Montana and was only recently acquired by the Ft. Belknap Tribe. The Tribe has requested the assistance of ITBC to build a sound infrastructure and to coordinate with other Tribes to process their buffalo, and help build a cooperative market for the Tribally produced range fed buffalo. ITBC is anxious to launch its marketing initiative by providing critical support to the Ft. Belknap Tribe in Montana. This project will begin the necessary infrastructure development that is so critical to sustainability. ITBC will assist with training for meat processing, cold storage facility development, help plan and upgrade the plant for buffalo, develop a distribution plan and system for Buffalo meat and byproducts, and develop a cooperative brand name with standards and labeling guarantees, similar to the Kosher Beef brand. The development of the Ft. Belknap plant will serve as a model for other Tribal processing plants that are on the verge of achieving USDA approval. The primary benefits of tribally owned buffalo processing plants is to maintain the integrity of the Tribally owned buffalo meat as a health benefit, to develop a culturally appropriate processing schedule and to provide sustainability to the Tribal buffalo projects.

Preventive Health Care Initiative

Another important aspect of ITBC's economic development effort is to provide buffalo meat to reservation families and to re-educate tribal members to the health benefits of including buffalo meat in their diets. ITBC is working to provide better ways for reservation families to have easier access to purchase buffalo meat. In most cases, buffalo meat is not sold in small quantities at the grocery stores and convenience stores located on Indian reservations. When Native families purchase meat, often the only choice of meat available to them is the high fat, and high cholesterol, processed meats that most reservation stores stock.

Current research indicates that the diet of most Indian families on the reservations, includes large amounts of high fat, processed meats, which contributes to diabetes and heart disease and other diet related health problems.

ITBC is working on a health care initiative that will provide easier access to buffalo meat on the reservations, target those individuals with the greatest need, and to educate more Indian families of the health benefits of including range fed buffalo meat in their daily diets.

SUPPORT FOR TRIBAL INITIATIVE

ITBC support for the Confederated Salish and Kootenai Tribes of the Flathead Reservation in their effort to assume management of buffalo in the National Bison Range as a compactable federal function under the 1994 Self-Governance Act.

Tribal management of the National Bison Range would restore the relationship of buffalo with the Tribe on their ancestral land, allows the Tribe to assume management of their resources and save the government a significant amount of funding for the current management expenses.

CONCLUSION

ITBC has demonstrated success over the years by assisting its member tribes with the restoration of buffalo to their native lands for cultural purposes and economic development. ITBC will continue to provide technical assistance and funding to its member tribes in order that they can restore and maintain tribal buffalo herds.

Through the efforts of ITBC and its member tribes, new jobs have been created in the tribal buffalo industry resulting in new money for tribal economies. In addition, ITBC continues to support methods to market buffalo meat by providing easy access on the reservation and education efforts to the health benefits of buffalo meat in the Native diet.

ITBC and its member tribes are appreciative of past and current support from the Congress and the Administration. I urge the committee to consider an increase to ITBC fiscal year 2004 appropriation so that the important work of restoring buffalo herds can continue without interruption, and so ITBC can help it's member Tribes achieve sustainability. I would like to thank this Committee for the opportunity to present testimony regarding ITBC's buffalo restoration efforts and resulting economic development opportunities. We invite the members of the Committee and their staff to visit one or more of the Tribal buffalo projects and to witness first hand their success.

Questions and/or comments regarding any of the issues presented within this testimony may be directed to Mr. Ervin Carlson, President or to Mr. Fred DuBray, Executive Director at (605) 394–9730.

PREPARED STATEMENT OF THE INTERTRIBAL TIMBER COUNCIL

SUMMARY

Mr. Chairman, I am Nolan Colegrove, Sr., President of the Intertribal Timber Council. I hereby submit the following requests for fiscal year 2004 BIA and U.S. Forest Service appropriations:

(1) Provide a total increase of $7.5 million in BIA T.P.A Forestry,

(2) Restore Endangered Species in Resources Management, Non-Recurring Programs to $3,035,000, and add $3 million for unfunded ESA mandates,

(3) In Forestry under Resources Management, Non-Recurring Programs—

—Add $25 million for Forest Development backlog elimination,

—Add $6 million for Inventories and Plans to provide current management plans for all trust forest land,

—Add $500,000 for Woodlands management, and

—Support the $1 million increase for Integrated Resource Management Plans,

(4) Add $1 million to Environmental Management in Non-Recurring Trust Services for cultural resources surveys,

(5) Add $8 million to Cadastral Surveys in Non-Recurring Programs Real Estate Services, and add $1.5 million to Regional Office Operations Land Titles and Records,

(6) Within Wildland Fire funding in the Bureau of Land Management, direct BIA to develop a Native American fire crew leadership training program, and

(7) In the U.S. Forest Service State and Private Forestry budget, create a line item for the expanded "Office of Tribal Relations" and add $1 million for its support.

INTERTRIBAL TIMBER COUNCIL BACKGROUND

The Intertribal Timber Council (ITC) is a twenty-seven year old organization of seventy forest owning tribes and Alaska Native organizations that collectively possess more than 90 percent of the 7.6 million timberland acres and a significant portion of the 9.5 million woodland acres that are under BIA trust management. These lands provide vitally important habitat, cultural and spiritual sites, recreation and subsistence uses, and through commercial forestry, income for the tribes and jobs for their members. In Alaska, the forests of Native corporations and thousands of individual allotments are equally important to their owners. To all our membership, our forests and woodlands are essential to our physical, cultural, and economic well-being, and their proper management is our foremost concern.

(1) Provide a Total Increase of $7.5 million in BIA Tribal Priority Allocation Forestry

The ITC appreciates the addition of $1,500,000 to the Tribal Priority Allocation Forestry budget approved by the Committee for fiscal year 2003. This was the first program increase since fiscal year 1995. For fiscal year 2004, we urge the Committee to increase the Forestry appropriation by $7.5 million to reflect a cumulative

31.9 percent cost of living adjustment since fiscal year 1992 and a 7.5 percent increase in trust forest land acres. The resulting funding level of $37.3 million will only restore the BIA TPA Forestry program to the current equivalent of its fiscal year 1992 status, at which time the IFMAT report documented BIA Forestry funding as being grossly insufficient, with Indian forests receiving only 63 percent of the funding for timber production on National Forests, and only 35 percent of that for coordinated resources management. Adequate funding must be provided to enable the Department to fulfill its trust responsibilities for managing Indian forests.

(2) Restore Endangered Species in Resources Management, Non-Recurring Programs, to $3,035,000 and add $3 million to Begin Fulfilling the Unfunded ESA Mandates

We request that the Endangered Species item in the BIA's Non-Recurring Programs Natural Resources budget be provided $6,035,000. This amount restores the northern spotted owl/marbled murrelet (NSO/MM) and Cheyenne River ferret programs back to their fiscal year 2002 level of $3 million ($1.6 million for the owl, $1.4 million for the ferret), plus $35,000 for cost of living adjustments, and then adds another $3 million to begin addressing unfunded tribal/BIA endangered species mandates. Congress started the NSO/MM program in 1991 to enable the BIA to fulfill its obligations after the owl and murrelet were listed under the ESA. BIA subsequently combined the NSO/MM with the ferret program. In fiscal year 2003, the Administration proposed eliminating both activities, but Congress partially restored the funding to $2,697,000. (As of this writing, we do not know how that amount will be distributed between the NSO/MM and ferret programs.) For fiscal year 2004, the Administration is requesting $2,198,000 for ESA activities, but we do not know how those funds are proposed to be spent. It is essential that funding to support ESA activities be restored. They are the only funds that have ever been specifically provided in the BIA's budget for addressing the NSO/MM listings. Elimination of these funds would threaten ESA compliance activities and could potentially restrict or shut-down the timber harvesting that is essential to the economies of tribal communities.

We request that ESA funding be fully restored for the NSO/MM and ferret programs to inflation adjusted levels provided for fiscal year 2002. We also request a further $3 million increase in the ESA budget item for management of other ESA-listed species throughout Indian Country.

(3) In Forestry under Resources Management, Non-Recurring Programs—

Add $25 million for Forest Development backlog elimination

Forest Development, one of four components in Non-Recurring Forestry, provides for thinning and planting on the 6 million acres of commercial trust forest land. As in fiscal year 2003, the fiscal year 2004 Forest Development request of approximately $9.6 million will only provide treatment on 50,000 acres, which is about the annual accrual of commercial forest acres in need of thinning and planting. The Administration's budget requests nothing for reducing the backlog of 1.3 million acres. Some 22 percent of the trust commercial forest land base is now in need of thinning and planting. These acres are either underproductive or out of production altogether. To fulfill the federal government's fiduciary obligation to ensure that all trust commercial forest land is productively utilized, we request an fiscal year 2004 increase of $25 million to treat 130,000 backlog acres as a start on eliminating the backlog.

Add $6 million for Inventories and Plans to provide current management plans for all trust forest land

Forest Management Inventory and Planning (FMI&P), another component of Non-Recurring Forestry, covers the costs of preparing forest inventories and plans that are required for the management of trust forests. According to the most recent BIA information, only 43 percent of all Indian trust forest lands, including woodlands, have current management plans. A November 13, 1998 Interior Solicitors' Opinion holds that "Indian timber may not be harvested until an approved forest management plan has been established." The absence of current management plans for more than half of all Indian trust forest land could damage the resources that comprise the trust corpus or even foreclose harvest on those lands. The consequences of the failure of the trustee to meet its fiduciary obligations would fall on Indian beneficiaries in terms of lost tribal jobs and increased stress on already scarce resources necessary to meet the financial, health, economic, education, and subsistence needs of tribal communities. To prevent such occurrences and for the U.S. to fulfill its trust responsibilities, we request that $6 million be added to the approxi-

mately $2 million fiscal year 2004 FMI&P request to begin providing current management plans for all trust forest lands.

Add $500,000 for Woodlands management

We request the addition of $500,000 for Woodlands Management, another component of Non-Recurring Forestry. Funding for the 9.4 million acres of Indian Woodlands has not changed since the program's start in 1988. The current funding level only provides three woodlands managers in the Southwest and a very few on-the-ground projects. Just one quarter of these lands, often vital for subsistence purposes, are covered by management plans, and less than one half have resource inventories. An addition of $500,000 would increase staff for improved management and oversight, and enable badly needed management projects to be undertaken.

Support the $1 million increase for Integrated Resources Management Plans

The ITC supports the Administration's proposed fiscal year 2004 $1 million increase for Integrated Resource Management Plans (IRMPs) for reservations. IRMPs are an essential element in modern natural resource management planning for BIA's 56 million total acres in trust, including the 17.1 million forest land acres. We support the Administration's request for a $1 million increase as an initial step towards supporting the development of IRMPs, although we believe the true needs for funding far exceed this amount.

(4) Add $1 million to Environmental Management in Non-Recurring Trust Services for cultural resources surveys

Indian lands are rich in historic artifacts and sensitive sites, and various federal laws, such as the Historic Preservation Act, NAGPRA, and NEPA, impose exacting requirements on land and resource managers. Cultural surveys generate the data that is essential for forest and other resource management plans, but BIA has never requested any funding to help meet those federal mandates. Accordingly, like last year, we request that $1 million be added to Environmental Management in Non-Recurring Trust Resources for cultural resource surveys.

(5) Add $8 million to Cadastral Surveys in Non-Recurring Programs Real Estate Services, and add $1.5 million to Regional Office Operations Land Titles and Records

Reliable and accurate boundaries and clear, current title are essential for the management of Indian trust lands and resources. Without these two elements, the land's use and management are clouded, its income subject to question, and its protection jeopardized. But Interior funding for these two critical elements has not been sufficient. A new BIA cadastral survey ranking system identified $30 million just in "priority" projects. To begin to address this problem, we suggest doubling the BIA's fiscal year 2004 request to $16 million. We also ask that BLM, which for years has shirked its statutory responsibility to provide cadastral surveys for trust land, be directed to institute such a program as part of its baseline responsibilities.

For Land Titles and Records, we ask an increase of $1.5 million, to renew the commitment started several years ago to improve the BIA's ability to produce timely and accurate titles. Currently, BIA has 150,000 title documents that need to be recorded, and this case load is growing as demand continues to outstrip the BIA's capacity. Accordingly, we ask that funding be increased by $1.5 million.

(6) Within Wildland Fire funding in the Bureau of Land Management, direct BIA to develop a Native American fire crew leadership training program

There is an increasing need for fire crew leadership training that, if not addressed, could endanger the safety and hinder the deployment of otherwise fully trained and able tribal fire crews. Native American crews constitute about 25 percent of the line fire fighter work force and a crew leadership training program in the BIA is essential to improve their safety and effectiveness. To help address this need, we ask that the BIA be directed to develop a Native American fire crew leadership training program.

(7) In the U.S. Forest Service State and Private Forestry budget, create a line item for the "Office of Tribal Relations" and add $1 million for its support

Last mid-December, after several years of work by a USFS National Tribal Relations Program Task Force and its Implementation Team, the U.S. Forest Service decided to enhance its Office of Tribal Relations. The job announcement for the Office's Director was issued March 18 and the Office will ultimately be staffed by six positions. We ask that $1 million be added to State and Private Forestry to fund the Tribal Relations Office. Tribes and the Forest Service share thousands of miles of common border. Tribes also have rights and interests on hundreds of thousands of

Forest Service acres, and must confront numerous trans-boundary resource issues, including forest management and health, watershed, and wildlife. Yet, in the past, tribes and the Forest Service have failed to adequately coordinate their management approaches. Today, with new pressures on America's resource base, and with emphasis on cohesive resource management strategies that transcend man-made boundaries, we are pleased that the Forest Service is actively reaching out to its tribal neighbors with an enhanced Office of Tribal Relations. We fully support the Tribal Relations Office, and ask Congress to support it as well.

Thank you for the opportunity to present this testimony.

PREPARED STATEMENT OF THE JAMESTOWN S'KLALLAM TRIBE

This testimony is submitted by the Jamestown S'Klallam Tribe regarding our funding priorities and requests on the fiscal year 2004 Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) budgets.

TRIBAL-SPECIFIC APPROPRIATION PRIORITY

$150,000 adjustment for the Jamestown S'Klallam Tribe for Fisheries Management in the Point No Point Treaty Council (PNPTC) for the BIA fiscal year 2004 Budget.

LOCAL/REGIONAL REQUESTS AND RECOMMENDATIONS

Support all requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATIONS

1. Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;
2. Provide $5 million increase for BIA and $98 million for IHS to fully fund Contract Support Cost (CSC);
3. Provide $4.5 million increase to the Indian Health Service (IHS) Office of Tribal Self-Governance;
4. Provide $360 million for IHS mandatory, inflation and population growth increase to maintain existing health care services; and,
5. Support all requests and recommendations of the National Congress of American Indians and National Indian Health Board.

TRIBAL-SPECIFIC APPROPRIATION JUSTIFICATION

For the last 25 years Western Washington tribes have struggled to meet our responsibilities for proper fisheries management which we incurred following the affirmation of our treaty fishing rights in the *U.S.* v. *Washington* Supreme Court decision. Following the Boldt Decision in the late 1970's, PNPTC was formed by the Port Gamble S'Klallam, Lower Elwha Klallam and Skokomish tribes to conduct a professional biological and enforcement program, thereby insuring that the tribes could manage their fisheries activities responsibly and more efficiently through a consortium.

Following our Tribal recognition in 1981, we joined the PNPTC consortium and requested funding from the BIA. PNPTC was then operating on behalf of the other three tribes at a funding level of $692,500 for fisheries services. Due to funding limitations, the BIA made the decision that adding Jamestown to the consortium could be accomplished without adding an equivalent share to PNPTC's funding. The addition to services for Jamestown should have been a level of one-third of PNPTC's budget, or $230,833. The BIA only added $133,000, a grossly deficient amount to meet our Treaty obligations.

Currently, PNPTC is struggling to keep basic operations funded. Staff and other overall reductions in work hours have been necessary. These cuts greatly inhibit the tribes' ability to meet our fisheries management obligations. A total of $150,000 increase is needed in order to bring Jamestown's pass-thru funding up to the level equivalent to the other Tribes and to address the additional new responsibilities due to shellfish management and ESA obligations in the last 9 years. We are requesting a recurring base funding adjustment to our Self-Governance Funding Agreement to alleviate the funding pass-through inequity now experienced by the PNPTC member tribes. This will help to address the significant inter-tribal friction, as well as support hiring essential staff to operate our Iribal programs.

LOCAL/REGIONAL REQUESTS AND RECOMMENDATIONS

The Jamestown S'Klallam Tribe is a direct beneficiary of the collective Tribal efforts and continues to support the requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND OTHER NATIONAL CONSIDERATIONS

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustments.—This is the fifth year in a row that the Administration's request contains no general increase for TPA. This activity includes the majority of the funds used to support on-going services at the local Tribal level including such programs as housing, education, natural resources management and Tribal government services. A Congressional Research Service Report on Indian-related federal spending trends for fiscal year 1975-fiscal year 2000 finds that increases in the combined BIA/Office of Special Trustee "current" dollars averaged $46 million per year. But as "constant" dollars (adjusted for inflation), there has actually been a decline of approximately $6 million per year. Over this 25-year period, the total is $150 million! At a minimum, the requested amount will provide for a modest 3.5 percent inflation adjustment for existing Tribal programs and services.

Increase BIA and IHS Contract Support Cost (CSC) Funds to address documented need.—CSC funds are required for Tribes to successfully manage their own programs. While the Administration's budget request for fiscal year 2004 includes a modest increase for CSC, an additional $98 million is needed in IHS and an additional $5 million increase is needed in BIA to fully fund CSC. This shortfall continues to penalize Tribes which elect to operate BIA and IHS programs under the self-determination policy. Further, this shortfall threatens to pit tribe against tribe as mature contractors are asked to absorb all inflationary increases in order to fund new contractors. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. We urge the Subcommittee to fully fund CSC for Tribes similar to how other contractors are funded within the federal government.

Provide $4.5 million increase to the IHS Office of Tribal Self-Governance.—In fiscal year 2003, a total of $4.2 million was eliminated from the Office of Tribal Self-Governance within the IHS budget. We believe that this decrease will severely impact IHS's ability to fully implement the provisions of Title V of the Indian Self-Determination and Education Assistance Act, as amended. The IHS Office of Tribal Self-Governance was established in 1996 to advocate and implement the Self-Governance initiative within IHS. There are currently 285 Tribes (51.1 percent of all federally-recognized Tribes) implementing Self-Governance agreements. While the number of Self-Governance Tribes has and continues to increase, the staff and organizational capacity of OTSG has not. Additional funding is needed to increase the OTSG's organizational capacity to meet the legal requirements of Title V and to protect and advance the Self-Governance initiative.

Provide $360 million for IHS mandatory, inflation and population growth increase needed to maintain existing health care services.—The Administration's request of $40 million in fiscal year 2004 is far short of the $360 million needed just to maintain current health care services. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. IHS and Tribal programs simply cannot afford to continue to lose real resources. Mandatories should be the first consideration in budget formulation. If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

In conclusion, we recognize that the Administration and Congress has placed a major priority on fighting the war against terrorism and protecting our homeland. However, the treaties and legislation, that tribal governments have fought so hard to achieve with the United States government, remain the basic foundation of our unique governmental relationship. We strongly urge this Subcommittee to honor these commitments and that tribal government operations be afforded the highest priority in your appropriation decisions.

Thank you.

PREPARED STATEMENT OF THE LAC DU FLAMBEAU BAND OF LAKE SUPERIOR CHIPPEWA INDIANS

As Chairman of the Lac du Flambeau Band of Lake Superior Chippewa Indians, located in Wisconsin, I am pleased to submit this written testimony which reflects the needs, concerns and issues of the Tribal membership arising from the Presi-

dent's fiscal year 2004 Bureau of Indian Affairs and National Park Service Budget request.

Bureau of Indian Affairs Scholarships	$250,000
Bureau of Indian Affairs Johnson O'Malley	93,000
Bureau of Indian Affairs Wetlands Waterfowl/Circle of Flight	593,000
Bureau of Indian Affairs Wildlife and Parks	200,000
Bureau of Indian Affairs Forestry	188,000
National Park Service Historic Preservation	275,000
Bureau of Indian Affairs Law Enforcement	800,000
BIA-TPA Tribal Courts	762,122

INDIAN EDUCATION

Education of our tribal youth still continues to be the Band's number one priority and we look to Congress to support us on this issue. In the past we have supported the President's BIA budget on Indian Education, but this year most of the increases are associated with school construction ($292.7 million) and operation ($567 million). The Band is and has been requesting increased funding through the Administration's Tribal Priority Allocation planning process in higher education and Johnson O'Malley, but has not been successful. So again, we are asking Congress to address this funding short-fall through the legislative process.

The Band's specific concern is the funding levels associated with higher education programs. There has not been an increase in the BIA's higher education funding for seven (7) years. In the last three (3) years, the Band had 130 tribal members, who were not able to receive funding for college due to shortfalls. To fully support our eligible students, an additional $250,000.00 of funding for Lac du Flambeau is required. It should be noted to the members of this Committee, that like many other states, Wisconsin is having financial problems. Wisconsin's financial woes are driving the cost of college tuition even higher, making our request of additional funding even more important.

The Johnson O'Malley program has been under funded through the Tribal Priority allocation process and the Band has identified a funding shortfall. Our Education Program receives $55,967.00 to operate the JOM program in which we concentrate all our efforts and funding to high school students. We have 520 students in grade school that cannot be served by Johnson O'Malley because of the shortfall. To fully fund this program at Lac du Flambeau, an additional $93,000.00 would be required.

NATURAL RESOURCES

The Lac du Flambeau Indian Reservation is located in northern Wisconsin and is in the heart of the north woods and lakes area. The reservation is 86,000 acres with 46,000 acres of forested land, 20,000 surface acres of water and 14,000 acres of wetland. The land, air and water resources and associated fish, wildlife and plants are very important to the well-being of the Band. Our wildlife and plant resources support a subsistence way of life, which is an integral part of our culture as well as our economy. The comprehensive Department includes the following programs: Fish Culture, Fisheries Management, Wildlife, Water Resources, Environmental Protection, Forestry, Conservation Law Enforcement, Land Management and Tribal Historic Preservation. The primary goal of all the programs is to assure that the natural and cultural resources; the Band's most precious assets, are protected and preserved. The following lists our funding needs.

Circle of Flight-Great Lakes Wetland/Water Fowl Management Program

We strongly urge the Committee to restore $593,000.00 for the Great Lakes Wetland/Water Fowl Management Program (Circle of Flight) that the Administration proposes eliminating entirely again this year. The 107th Congress restored this important funding last year and the Lac du Flambeau Band would like to thank the Committee for understanding how important this program is in restoring and preserving our Nation's wetlands and waterfowl populations. This program also gives Congress, the Great Lakes Region Tribes, States, USFWS, USDA, Ducks Unlimited and other private sector groups an opportunity to work cooperatively in projects that provide wetland protection, flood control, clean water and recreation in the Great Lakes Region. Your strong support of this program is required again.

Wildlife and Parks

The Band has a comprehensive Natural Resource Department and dedicated staff with considerable expertise in natural resource and land management. Our activities include raising fish for stocking, conservation law enforcement, data collection

on water and air quality, developing well head protection plans, conducting wildlife surveys, and administering timber stand improvement projects on the 86,000 acre reservation. We urge this Committee to increase the Wildlife and Parks budget and set aside $200,000 for Lac du Flambeau ($100,000 for Tribal Fish Hatchery Operations and $100,000 for Tribal Management and Development). The Wildlife and Parks budget has not increased significantly since 1990. An increase will ensure we can maintain our current staff and critical natural resource programs.

Forestry

Within the 86,000-acre reservation, we have 46,000 acres of forested land that supports hunting and gathering opportunities for tribal members as well as logging. Proper management of the forest is essential to sustain our subsistence lifestyle, but also to provide economic growth for the Band. The Forestry Program, consisting of two (2) foresters and two (2) technicians, undertakes a broad range of management activities including tree planting, prescribed burning, timber road design and maintenance and timber sale administration. The Forestry Program is funded through the Tribal Priority Allocation (TPA) within the Bureau of Indian Affairs budget, which has been historically under funded. The Band supports the Administration request of $1.5 million but wants Congress to understand that at the Tribal level, the $1.8 million increase last year only equaled $4,000.00 for our Forestry Department. Through the TPA planning process, the Band identified an unmet need of $107,000.00 just to support the current program. In order to increase forest development, timber sale management and wildfire control activities we urge the Committee to not only support the President's budget but to earmark $188,000.00 for the Lac du Flambeau Forestry Department. This program has not received any substantial funding increases since 1991.

TRIBAL HISTORIC PRESERVATION

The Lac du Flambeau Band is asking Congress to provide $9.9 million to be allocated within the Tribal Historic Preservation Fund. This would provide $275,000.00 per Tribal Historic Preservation Office, a dollar amount almost, but less than, a state's share.

LAW ENFORCEMENT AND COURTS

At Lac du Flambeau we are fortunate to have a police department that is able to ensure a safe community for our members. For instance in 2002, the Lac du Flambeau Tribal Police Department logged 26,687 man-hours answering 4,018 complaints. The 12, member Police Department consists of 11 full time officers and one (1) administrative assistant responding to calls ranging from domestic violence to juvenile cases including runaways, burglary, fraud, battery and vandalism. The Lac du Flambeau Tribal Police not only respond to tribal complaints, but also provides services to the non-Indian community as well.

The Lac du Flambeau Tribal Police Department is in dire need of space. Currently, a 50-year-old converted hardware store is housing the Tribal Court System, Tribal Attorney's Office, Probation and Parole Department, Child Support Agency, the Great Lakes Indian Fish and Wildlife Commission Wardens and Tribal Police. The cramped conditions do not allow our police officers to conduct private interviews without compromising confidentiality. The lack of an interview area jeopardizes the officer's ability to solve cases and is time consuming, because not more than one person can be interviewed at a time. The Lac du Flambeau Band needs a new Police Department building. It is estimated that the new building will cost $800,000.00 and we respectfully request Congress to help us in our effort to provide adequate space for the Police Department.

Our Lac du Flambeau Tribal Court System includes a Chief Judge, two (2) Associated Judges, Tribal Attorney/Prosecutor, Clerk of Courts, Deputy Clerk and Truancy Officer. In fiscal year 2002, our Court System had 1,148 cases filed and conducted 2,355 hearings. Cases ranged from Children and Family cases to on and off reservation conservation/natural resource violations. Throughout Indian country, tribal courts are severely under funded and yet continue to fulfill a critical role in bringing justice to our communities. It is vital that these courts start to receive the funding that they need. Currently, the Band is receiving $77,000.00 from the BIA to support our court system. This only represents 9 percent of the total Tribal Court operating budget. Thus, the Band respectfully requests Congress to support the President's proposed fiscal year 2004 Budget of $17 million for Tribal Courts. Any additional Congressional funding support would be greatly appreciated as well. It should be noted that Lac du Flambeau did not receive an increase in fiscal year 2003 even though there was $17 million allocated.

TRIBAL PRIORITY ALLOCATION

The Band supports the $2.1 million increase, but urges the Committee to consider additional increases for these vital programs, since at the tribal level we are not realizing any significant funding increases.

GREAT LAKES INDIAN FISH AND WILDLIFE COMMISSION

The Band supports the Great Lakes Indian Fish and Wildlife Commission request of $3.966 million, to meet the needs in the Commission's testimony submitted to the Committee.

INDIAN LAND CONSOLIDATION PROGRAM

We would urge the Committee to support the $21 million increase the Administration proposes. We suggest that in order to improve upon the implementation of this Project, Congress allow tribes to administer the project through a Public Law 93–638 contract or some other cooperative agreement. We believe the Tribes can more efficiently implement this vital program.

STATE TRIBAL WILDLIFE GRANT AND LANDOWNER INCENTIVE PROGRAM

We strongly support the continuation of State and Tribal Wildlife Grant and program ($5 million tribal set-aside) and the Landowner Incentive Program (overall $50 million).

PREPARED STATEMENT OF THE LOWER ELWHA KLALLAM TRIBE

The Lower Elwha Klallam Tribe submits this written statement to request funding from the Bureau of Indian Affairs and the Indian Health Service in the fiscal year 2004 Appropriations bill.

First and foremost, we would like to express our sensitivity to the tasks that you are currently under taking. While addressing the matters associated with the United States being at war, you must continue to conduct the business of the domestic agenda as well. You have our blessings and are in our prayers during these most turbulent times.

TRIBAL REQUESTS

Request $19.5 Million for Elwha River Restoration to the National Park Service Account; and,

Request $4 Million for Land Acquisition authorized in Public Law 102–495 to the Office of Trust Responsibility's Realty Office Account.

REGIONAL REQUESTS

Restore $320,000 to the Unresolved Hunting and Fishing Rights account;

Restore $550,000 for Western Washington tribal shellfish management and enforcement;

$6.3 million to implement tribal treaty rights in tribal shellfish programs;

$22 million for federal contribution of Tribal/Growers shellfish settlement;

Restore $3.0 million Forest Development, Woodland Management, Northwest Forest Plan, Jobs in the Woods and Wild Stock Restoration Initiative;

Restore $3.1 million for the Timber-Fish-Wildlife Forest and Fish Report; $1.0 million Increase for Timber-Fish-Wildlife ESA Obligations under new state and private forest practices rules and regulations;

Increase Hatchery Cyclical Maintenance/Rehabilitation funding to $2.5 million with language; and,

Support the requests of the Point-No-Point Treaty Council, Affiliated Tribes of Northwest Indians, and the Northwest Portland Area Indian Health Board.

NATIONAL REQUESTS

The BIA and IHS are preparing to re-organize. We are concerned that this will come at the expense of diminishing tribal programs and the delivery of tribal services. Therefore, we ask that the Subcommittee include language directing both the BIA and IHS not to reduce funds appropriated by this Subcommittee to offset Departmental or agency shortfalls, to support reorganization plans, or trust reform initiatives without consulting with Tribal Leadership. This language should be included in future appropriations bills for these agencies;

Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;

Provide $5 million increase for BIA and $98 million for IHS to support 100 percent funding of Contract Support Cost (CSC);

Restore $4.5 million increase to the Indian Health Service (IHS) Office of Tribal Self-Governance;

Provide $360 million for IHS mandatory, inflation and population growth increase to maintain existing health care services; and,

Support all requests and recommendations of the National Congress of American Indians and National Indian Health Board.

SPECIFIC TRIBAL REQUESTS JUSTICATION

$19.95 million (+$7 million more than President's Budget)

In the fiscal year 2004 President's Budget package, there was a request of $12.95 million for the Lower Elwha Tribe River Restoration Project. We are requesting an additional $7 million to support the timelines identified in the project design.

The Administration's requested funding level will not allow the Project to proceed on schedule and this will require additional cost. The current project has been budgeted for $19.95 million and delays will subject this amount to inflation and other cost increases associated with construction projects. The Tribe and the National Park Service have reviewed the Restoration Project budget throughout the preliminary stages. In order to alleviate the likelihood that additional requests for funds to support the conduct of tasks identified for this phase of the project, we encourage the Subcommittee to fund the project at the increased level of $19.95 million in fiscal year 2004.

There are many functions included in the Project such as the required modifications to the Army Corp of Engineer's flood control levy, designing our water supply system and the design and construction of our hatchery, flood protection assessments, identifying and designing a septic system & wastewater alternatives for homes on the reservation, resources for habitat restoration, performing a coast line assessment and designing a plan to restore aquatic life. These are but a few of the many tasks to be performed within a timeframe that supports the overall conduct of this Project.

$4 million for Land Acquisition as Authorized in Public Law 102–495

In Public Law 102–495, to restore Olympic National Park and the Elwha River Ecosystem and Fisheries in the State of Washington, there was an authorized amount of $4 million for land acquisition for the Tribe. It has been more than a decade since this law was enacted and the Tribe is consistently requested these funds.

This acquisition is yet another component of this major River Restoration Project. We request that the Subcommittee appropriates the $4 million for land acquisition to the Bureau of Indian Affairs, Office of Trust Responsibility, Division of Reality Services.

Thank you.

PREPARED STATEMENT OF THE LOWER LAKE RANCHERIA KOI NATION

The Lower Lake Rancheria Koi Nation ("Tribe") in California, is a federally-recognized Indian Tribe, located in Northern California. Through administrative error and neglect by the Federal Government, for many years, our Tribe was wrongly omitted from the Bureau of Indian Affairs' (BIA) listing of federally-recognized Indian tribes.

After years of intensive efforts, the error was acknowledged and our Tribe's federally-recognized status was reaffirmed. On December 29, 2000, the Assistant Secretary for Indian Affairs ordered that our Tribe be returned to the official list of federally-recognized Indian Tribes. Even so, it was not until a year and a half later—July 12, 2002—that our Tribe was once again included on the official list.

During the time our Tribe was erroneously omitted from the listing, we were ineligible for federal funding, such as basic health care services from the Indian Health Services, and deprived of our Government-to-Government relationship with the Federal government. Once the error was acknowledged and our Tribe was added to the list, the Department of the Interior informed us that we would be included in the funding for "New Tribes." Because the fiscal year 2002 budget had already been prepared, however, we were told we would have to wait until fiscal year 2003. Nonetheless, for unknown reasons, the Department zeroed-out funding for "New Tribes" in both the fiscal year 2003 and fiscal year 2004 budgets.

Historically, the Department of the Interior has funded newly recognized and restored Indian Tribes under the "New Tribes" line item of their budget. "New Tribes" have been provided a baseline of $160,000 a year to support basic governmental operations. While an almost insignificant amount in relation to the Department's overall budget, this funding is vitally important to the newly restored Tribes and will be vital to our Tribe's goal of providing basic governmental services, such as health care, housing, and educational assistance, to our members.

Funding is needed for basic governmental purposes as the Tribe transitions to the BIA's annual Tribal Priority Allocation funding. As a federally-recognized Indian tribe, the Lower Lake Rancheria Koi Nation enjoys a government-to-government relationship with the United States. The Assistant Secretary of Indian Affairs' reaffirmation of the Tribe's federally-recognized status, and our addition to the official listing of federally-recognized Tribes, makes the Tribe eligible for federal funding, such as "New Tribes" money. Provision of such funding is in furtherance of the federal government's trust responsibility to Indian tribes.

REQUESTED APPROPRIATION

In accordance with the commitments made by the Department of the Interior, the Lower Lake Rancheria respectfully requests $320,000 (to cover $160,000 in baseline funding for fiscal year 2003 and fiscal year 2004) to support its governmental operations under the "New Tribes" funding in the Interior Appropriations Bill.

In addition to the Lower Lake Rancheria, five other Tribes: the Graton Rancheria of California, the Shawnee Tribe of Oklahoma, the King Salmon Tribe and the Shoonaq' Tribe of Kodiak, both from Alaska, and the Cowlitz Tribe of Washington, were added to the 2002 listing of federally recognized Indian Tribes. The Lower Lake Rancheria also urges restoration of funding for these similarly situated Tribes.

Thank you for the opportunity to provide testimony to the Committee on this important matter.

PREPARED STATEMENT OF THE LUMMI NATION

My name is Darrell Hillaire, Chairman of the Lummi Nation and I would like to thank the Subcommittee for this opportunity to present written testimony. The Lummi Nation, is located on the northern coastline of Washington State, and is the third largest tribe in Washington State serving a population of over 5,200.

On behalf of the Lummi Nation I want to thank you and the members of the Committee for their kind attention and assistance provided to the Lummi Nation in the past and the opportunity to express our concerns and requests regarding the fiscal year 2004 BIA, IHS appropriation allocations and special earmarks. The following written testimony presents the Lummi Nation funding priorities, as well as regional and national concerns and recommendations for your consideration.

The Lummi Nation desires to strengthen our long-standing government-to-government relationship with federal officials to work through the consultation process and/or formal hearings for policy decisions impacting the Lummi people. Further, the Lummi Nation strongly opposes any bill, language or legislative riders that undermine tribal sovereignty or restrict tribal governments from protecting or exercising treaty rights.

TRIBAL-SPECIFIC APPROPRIATION PRIORITIES

1. *+$750,000 Water & Sewer Infrastructure Planning & Engineering*.—Provide the Lummi Nation with an earmarked allocation of funds from the IHS Sanitation Facilities Construction program or USDA Rural Development program to support the planning and engineering of water and sewage system infrastructure improvements. The tribe's current water and sewer system is nearing threshold operational capacity and utilizes dated industrial technology' that is over 25 years old. Future tribal community development and economic growth is jeopardized without this financing.

2. *+$1,150,000 BIA Economic Development Program*.—Lummi Nation is requesting resources to establish a Small Business Development Office to provide over 500 "dislocated" fisherman with economic and business assistance services from: technical assistance, support services, training services, business planning, and loan services.

3. *+$140,000 BIA-Office of Indian Education Programs, Facility Management and Construction Contract (FMCC) for provision of "Quarters"*.—Lummi Nation seeks funds to cover planning and construction costs for development of school based hous-

ing units through the BIA-FMCC "Quarters program" that remains an unbudgeted need.

4. *+$1,500,000 Semiahmah Memorial Park and Heritage Center*.—Provide the Lummi Nation with National Park Service, Conservation and Historical Preservation construction program funds. Provide the Lummi Nation with initial planning and design phase funding for a Semiahmah Memorial Park and Heritage Center preserve ancestral burial grounds that were desecrated by non-Indian officials in 1999 and to commemorate this traditional village encampment.

5. *+$700,000 Increase to Lummi Nation Shellfish Hatchery Operation*.—Provide support to the development of the tribal shellfish hatchery to address identified weather related market access problems that have effectively stopped the development of the shellfish hatchery. The Hatchery is critical the ability of Tribal fishers to generate family income from the harvest of shellfish, as provided in the Pt. Elliot Treaty, the right to harvest and manage shellfish resources.

6. *+$740,000 Support Realty*.—Provide the Lummi Nation with funding to ensure the major elements such as land consolidation, land records management, tribal probate, and training services are available to effectively manage tribal realty resources.

7. *+500,000 Lummi Youth Safe House*.—Provide Lummi Nation with funds to design and construct a youth "safe-house" for the provision of emergency "holistic" care, shelter and/or wrap-around social and health services for youth living in the Lummi community.

8. *+$1,300,000 BIA Tribal Government Services—Water Negotiations*.—Provide for the following water negotiation costs: $300,000 for attorney fees, $400,000 for on-Reservation technical studies, and $600,000 for Nooksack River Basin technical studies.

9. *+$1,076,000 BIA-Financial and Social Service "General Assistance" program*.—Funds for the Lummi Nation to effectively respond to a critical need for tribal fisherman to receive disaster relief assistance. This aids the tribe and fisherman to recover from the cumulative impact (1999–2001) of unrealized revenue from the local commercial fishing industry.

TRIBAL-SPECIFIC APPROPRIATION SUMMARIES, JUSTIFICATION

1. Water & Sewer Infrastructure Planning & Engineering—+$750,000

The Lummi Reservation supports a population of nearly 5,200 persons, which has pushed water and sewer system capacities to their limit. Additional capacity must be obtained now to support the existing population. In the short-term, water and sewer systems redesign and upgrades will handle the problem. However, the long-term solution must include additional treatment capacity and water source location and development. Public Works infrastructure development and investments like these require substantial planning. The Lummi Nation is not able to undertake this level of planning without the assistance requested herein. Lummi Nation recommends the IHS Sanitation Facilities Construction Program to receive earmarked funds to support tribal planning of water delivery and sewage treatment system infrastructure for the existing and projected population of the Lummi Indian Reservation.

2. BIA Economic Development Program—+$1,150,000

Lummi Nation is seeking funds to create a tribal Small Business Development Office to provide fisherman with economic and business training technical assistance services. Approximately $250,000 is requested to establish the Small Business Development Office with the goal of aiding fisherman to maximize profits horizontally within the fish marketing industry and/or create new small businesses to sustain self-sufficiency. Another $900,000 is requested form the BIA Credit Services program to enable the Lummi Nation to establish a fisherman revolving loan fund to enable participants to access development capital to support their small business plans.

3. BIA-Office of Indian Education Programs, Facility Management and Construction Contracts (FMCC) for provision of "Quarters"—+$140,000

Lummi Nation seeks additional finances to cover planning and construction costs for development housing units through the BIA-FMCC Quarters program that remains an unbudgeted need. Lummi Nation new school facility exists in a rural area and is eligible to receive construction revenue for housing units for administrative and security staffing needs. No funds are allocated to fulfill the Lummi Nation need for the provision of staff quarters.

4. Semiahmoo Memorial Park and Heritage Center—+$1,500,000

Provide the Lummi Nation with National Park Service, Conservation and Historical Preservation construction program funds. Provide the Lummi Nation with initial planning and design phase one funding for construction of a Memorial Park and Heritage Center to commemorate and preserve ancestral burial grounds that were desecrated by non-Indian officials in 1999. The National Park Service, National Registry of Historic Places, lists the site. The desecration of over 100 human remains and graves was primarily due to the expansion of a local sewage treatment plant financed with federal funds and permitted by the state. The Lummi Nation has created a Memorandum of Agreement that possesses terms to relocate the existing non-Indian treatment plant. The Memorial Park is to be constructed on the existing site as a unique tribute to promote regional education of the traditional Indian encampments reflecting the culture and lifestyle of the Coastal Salish people in Northwest America. Planning and design of a Heritage Center is envisioned to house social, economic and educational events and meetings.

5. BIA Office of Indian Education Programs—+$2,000,000

Lummi Nation seeks increased school operational revenue to cover increased expenditures for the new tribal school in fiscal year 2004. The new school is projected to house 750 students that is over three times the current Lummi Tribal School student population. The Lummi Nation anticipates that the new school shall need increased funds to cover expanded operational expenses in the areas of: Administrative Cost Grants, Maintenance and Improvement funds, Transportation services; Special Education funds; High School and Tribal school operational funds. The Lummi Nation is reporting that this large school facility requires additional revenue to provide quality educational services.

6. Lummi Nation Shellfish Hatchery Operation—+$700,000

The thirty-year old hatchery supplies oyster and clam seeds to a majority Northwest Washington Indian tribes and growers. The need to provide both the treaty and non-treaty growers for oyster seed, clam seed, enhancement projects. These projects benefit both the tribal government and Washington State. The Lummi Nation recommends that $350,000 increase be earmarked to Lummi Nation through the BIA Hatchery Operational program and an additional $350,000 be provided through the BIA Economic Development Program to support planning, development and constructing covered all weather loading, unloading and staging areas and access road improvements from the Hatchery to the State Highway.

7. Support Realty—+$740,000

The Lummi Nation has a multi-year plan to address the realty tribulations. The major elements include land consolidation, land records management, tribal probate process, revision of realty procedures, backlog elimination, and training. Land consolidation requires untangling the heir ship disarray by conducting research to land titles, appraisals, surveys, subdivision and other technical work. Land records management requires development of a tribal land database with electronic connection to BIA databases. Existing process of tribal probates is time consuming and a contributive factor land is so fractionated. Development of an on-site process using Lummi Tribal Court is needed to shorten the processing time.

8. Lummi Youth Safe House—+$500,000

Provide the Lummi Nation with a Family-centered Youth Facility to provide a continuum of care to "At-risk", Homeless and/or Runaway adolescents. The primary components of this continuum are screening, intervention, substance prevention, respite and after-care services consistent to youth needs. Participating youth are supported through center-based continuum and wrap around social/health services' to overcome barriers to achieve their goals. Lummi youth entering and/or completing treatment successfully make the transition to return to daily life through a traditional holistic' approach towards recovery involving family members and dependency counselors.

9. Water Negotiations—+$1,300,000

The Lummi Nation signed an Agreement in Principle with the Federal Government and the State of Washington on January 27, 1998. This agreement is a stepping stone toward a final settlement of the "on"-reservation water rights conflict, which were and still are, attributable to the non-Indians disregard for treaty-reserved water and fishing rights in the Nooksack River Watershed. Many difficult issues remain to be resolved which require significant technical studies and legal consultation before a final agreement may be produced and signed. To complete this work the Lummi Nation is requesting $1.3 million during fiscal year 2003: $300,000

to defray legal consultation costs, $400,000 for on-reservation technical studies, and $600,000 for technical studies in the Nooksack River Basin. Lummi Nation recommends BIA provide the tribe with special earmark to support the increase in the Water Rights Negotiation/Litigation, Attorney fees and technical studies.

10. BIA-Financial and Social Service "Disaster Assistance" program—+$1,076,000

Lummi Nation seeks disaster relief assistance to 500 fishermen to meet their basic needs for housing, food and clothing assistance. These funds enable the tribe to fulfill a critical need of tribal fisherman to receive disaster assistance in response to unrealized revenue. The Lummi Nation has historically relied upon the salmon resource that possesses a cultural and economic value to the tribal membership, which is irreplaceable. The Lummi tribe and U.S. Department of Commerce declared the sockeye commercial fishery as a fishery resource disaster under the Magnuson Stevens Act.

PREPARED STATEMENT OF THE MESCALERO APACHE TRIBE

APPROPRIATIONS REQUEST

The Mescalero Apache Tribe ("Tribe") is seeking $250,000 for operational funding in fiscal year 2004 for the Mescalero Fish Hatchery. The Hatchery will provide fish to more than a dozen Indian Tribes in the Southwest for stocking Tribal lakes and restoring native fish, and serves as an important economic development engine for our Tribe as well as for those served by the facility.

BACKGROUND

On March 24, 1964, the Tribe entered into a lease with the United States Fish & Wildlife Service ("FWS") for the operation of the Mescalero National Fish Hatchery (NFH) on the Mescalero Apache Reservation in the south central part of the State of New Mexico. On October 1, 1965, the Service commenced operations at the Mescalero NFH. For over thirty-five (35) years, the hatchery served as a primary economic engine for many tribal recreational and tourism programs providing stockable fish to fourteen (14) Indian Tribes and Pueblos in New Mexico, Arizona, and Southern Colorado.

For the past fifty (50) years, the primary policy goal of the Department of the Interior has been to ensure maximum participation of the Indian Tribes including the eventual transfer of the fishery facilities to Tribes. Yet, the Department has struggled with how to implement its policy supporting the stocking of fish in Tribal waters and providing the associated technical assistance to the Tribal Governments. FWS has budgeted for the stocking of fish in Tribal waters and related technical assistance since the 1950's. In the mid-1970's, FWS began phasing out these programs, and during the late 1970's and early 1980's, it adopted a policy of requiring full reimbursement for services delivered to Indian Tribes, terminated many of its tribal assistance operations, and submitted budgets proposing to close numerous fish hatcheries and fisheries assistance office that had long served Tribal needs. Evidently, the evolution of FWS policy emphasizing the recovery of species listed under the Endangered Species Act and the restoration of native species have become FWS priorities that have outweighed the need to adequately support Tribal fisheries programs.

In the midst of FWS downsizing and funding shortfalls for the national fish hatchery system, the BIA created the Division of Fish, Wildlife and Recreation in 1982, which focused on contracting fish and wildlife resource operations directly with Indian Tribes, rather than trying to duplicate the assistance program that FWS had been providing. To prevent the closure of key FWS fish hatchery serving Tribes, including the Mescalero NFH, BIA's Division of Fish, Wildlife and Recreation entered into annual memorandums of agreement (MOA) with the FWS for the continued operation of these hatcheries. Through the MOA, BIA provided in fiscal year 1987 $1.3 million and 29 FTEs to the FWS for ten facilities, including $211,000 and 5 FTEs for the Mescalero NFH. In 1988, Congress transferred to FWS funds from BIA for 6 of the 10 facilities covered by the MOA, and directed FWS to contract with the affected Tribes served by each facility, when so requested, and to work with the Tribes in moving toward tribal control of the program as quickly as possible. Similar report language was included in the fiscal year 1989 and fiscal year 1990 appropriations.

In the fiscal year 1996 budget, FWS again proposed the closure of the Mescalero NFH or to transfer operations to the State of New Mexico as part of a broader effort to redirect funding to meet otherwise "higher priority" federal responsibilities of the

NFH system. In response BIA proposed that FWS transfer funding for the Mescalero NFH to BIA for the purpose of the BIA sustaining operations of the facility until a contract transferring the facility to the Mescalero Apache Tribe could be finalized. However, at Congressional direction, the FWS continued to operate the facility.

In 1999, a fire burned the watershed above the Mescalero NFH resulting in flooding and mudslides causing damage to the hatchery grounds, and killing many trout. In addition, FWS lack of adequate operational and maintenance funding over the years caused certain physical problems such as high radon levels in the hatchery buildings, high nitrogen levels in the water, hard water that resulted in formation of kidney stones in older fish, and cracking raceways and buildings caused by unstable soil.

At the request of FWS, the Mescalero Apache Tribal Council agreed to FWS's proposal "to temporarily suspend operations" of the facility so that the FWS could address these deteriorating conditions. In November 2000, FWS suspended operations at the Mescalero NFH, but rather the repairing the facility as it had pledged to do, FWS decided to permanently close the hatchery. FWS stripped the facility of all equipment and most of the fixtures, reassigned personnel and reprogrammed $392,400 appropriated specifically for the Mescalero NFH to address other Service program priorities.

The Tribe has since terminated the lease with the FWS and has been working to resume operations of the facility under Tribal control and management, in a concerted effort with the affected Southwest Indian Tribes that had received fish from the Mescalero NFH. Specifically, our Tribe along with the other affected Tribes in the Southwest have organized the Southwest Tribal Fisheries Commission (SWTFC) as a long-term approach and strategy for assuming primary authority and responsibility for stocking and managing Tribal waters in the Southwest. Our Tribe entered into a Public Law 93–638 self-determination contract with the BIA to organize the SWTFC., This approach fulfills the congressional goal of Tribal contracting of related resource management functions, operations and programs without diminishing the Department's responsibility to protect the resources and sovereignty of the affected Tribes.

The combined efforts of the Southwest Tribes through the SWTFC with the goal of economic self-sufficiency supports the diversification of tribal economies, an endeavor that will not only benefit the reservations but also the surrounding regions and the entire state. A key component to the Tribes efforts through the SWTFC is the successful operation of the Mescalero fish hatchery, and the Williams Creek/Alchesay program on the White Mountain Apache Reservation.

CURRENT STATUS

The Tribe secured a grant from the Economic Development Administration (EDA) in the Department of Commerce to develop a business plan for the operation and construction of the hatchery. New Mexico State University (NMSU) College of Business Administration is assisting the Tribe with this business plan. The Tribe's fisheries consultant, FishPro, Inc., based in Santa Fe, New Mexico is providing the technical and scientific expertise in this process. The business plan will include the goals and objectives of the project and the study will provide an in-depth analysis of the facility, the water supply, permitting requirements, schematic design work and estimated construction costs. The study will also provide an examination and analysis of the marketing conditions as well as financial, accounting and management plans. In this process, the Tribe is working with the SWTFC to ensure that the needs of the affected Southwest Tribes are included in the planning and development process.

The business plan is scheduled to be completed by the end of August 2003 and will be the justification to obtain construction funding from the EDA. The Tribe will complete the final design work and may proceed with a design/build-out approach. The Tribe is aiming for early Spring 2004 to beginning raising fish and resuming operations at the facility.

USE OF APPROPRIATIONS

Based on our current course, the Tribe estimates that we will need $250,000 to cover operational costs for the remaining part of fiscal year 2004 after the construction is completed. The Tribe will use the funds for hiring and training of staff prior to commencement of operations, as well as purchasing of supplies, equipment, and conducting "dry runs" in preparation for operations. The Tribe will also be working with NMSU, SWTFC, FWS, and BIA to increase our capacity and ensure the success of this project.

CONCLUSION

In the past, Congress vested funding for these endeavors with the BIA, and then with the FWS. Due to competing policies and funding priorities, the Mescalero NFH fell into disrepair and eventually closed causing hardship to the Mescalero Apache Tribe and the many other Tribes that relied on the facility. By contrast, our Tribe has a long record of economic success and management capability, and we are prepared to assume the primary role in the management and control of the facility, as intended by Congress. In accordance with the Government-to-Government relationship the Tribes have with the Federal Government, we will also be working with the federal agencies on building our capacity to conduct these activities. To assist us in achieving our goals of Tribal economic development and self-sufficiency, we need the funding to resume operations of this important facility.

Thank you for the opportunity to present this written testimony. For additional information contact: Sara Misquez, President, Mescalero Apache Tribe at (505) 464–9969 or the Tribe's Washington D.C. counsel Shenan Atcitty at (202) 457–7128.

PREPARED STATEMENT OF THE NARRAGANSETT INDIAN TRIBE

As Chief Sachem, Matthew Thomas, of the Narragansett Indian Tribe, located near Charlestown, Rhode Island, I would like to submit these written remarks concerning the fiscal year 2004 BIA and IHS Appropriations. Our tribe operates more than a dozen BIA-funded programs serving our more than 2,600 members as well as a comprehensive health program funded by the IHS including a 5,000 square foot outpatient health clinic. We are proud of the accomplishments we have made over the years and look forward to a day when we are less dependent on Federal appropriations to finance the basic governmental services we provide. Despite many efforts, we lack reliable alternate resources to finance the growing needs of our Tribe. Federal appropriations remain critical to the health and well being of our members. We seek increases to the IHS appropriation, the BIA's Indian Country Law Enforcement Initiative, and the BIA Tribal Priority Allocation (TPA), which funds our tribally operated programs which we perform under a Public Law 93–638 self-determination contract.

We seek increased appropriations for law enforcement, education, a daycare center, and social services.

LAW ENFORCEMENT—($559,000 INCREASE SOUGHT)

The Narragansett Indian Tribe seeks to hire four more patrol officers and one dispatcher to provide quality law enforcement services to the tribe and funds to cover a 10 × 40 trailer which presently houses our police department. At the present time our goal is to provide 24-hour law enforcement services to the reservation. Due to lack of manpower, vacations and sick leave, it is not being accomplished. Through a Justice Department COPS grant and reprogramming of our TPA funds we have a law enforcement department of 1 Police Chief, 1 Lieutenant, 1 Sergeant, 1 dispatcher and 5 tribal police officers. All Tribal Officers are also commissioned Deputy Special Officers of the Bureau of Indian Affairs.

The Narragansett Indian Tribal Police patrol approximately 1,944 acres of Trust and Reservation land and another 399 acres of fee land all of which has buildings plus living quarters and other facilities on the same. Presently, there are five tribal occupied houses on the reservation. Within the next few months there will be another five units. HUD has also approved the renovation of another 12 units, plus the addition of 38 more units within the next three years. These units will house approximately 180–200 tribal elders and members. This project is all on Narragansett Indian land, which will require additional Tribal Police coverage during renovation and construction. Furthermore, the location of the Tribe's land in the midst of a densely populated area creates unique enforcement and safety issues that are not common elsewhere. History has shown all too clearly that the Tribe cannot rely on the local communities to place a priority on safeguarding the interest of Tribal members or Tribal lands.

At the present time, the Narragansett Tribal Police has one dispatcher to cover the busy daytime hours. In 1999, the Narragansett Tribal Police handled 91 incidents; in 2002 the Department handled 376 incidents. This number represents a 300 percent increase. Therefore, another dispatcher is needed for the evening hours.

Despite a concerted effort by the Tribe, the State Police and the Town of Charlestown have not agreed to enter into a MOU (Memorandum of Understanding) concerning public safety issues, which place a greater burden on our existing Tribal Police Department.

Congress has long recognized that if Indian Tribes are to improve reservation conditions they must first have in place the necessary infrastructures which include adequate law enforcement services, basic human services, roads, safe water and waste disposal systems. Congress has long recognized that only when these are in place are tribes "in the best position to implement economic development plans, taking into account the available natural resources, labor force, financial resources and markets". S. Rep. 274, 100th Cong, 4 (1987) we encourage congress to put teeth behind these words by supporting increases in BIA Indian Country Law Enforcement Initiative in a manner that will assist us to increase our ranks to a more appropriate level. The three-year costs of the 4 officers with uniform and equipment will be $480,000 and the dispatcher for a three year period with uniform will be $79,000 for a total of $559,000.

EDUCATION DEPARTMENT

The education department is comprised of the following bureau programs; Adult Education, Higher Education and Johnson O'Malley Program.

ADULT EDUCATION—($78,971.00 INCREASE SOUGHT)

The objective of the adult education program is to provide the adult Tribal members with the opportunity to become employable, productive and self-sufficient by attaining a higher level of education. This objective can be obtained by collaborating with other Tribal programs such as Adult Vocational Training, Social Services, and Higher Education. To date, the funds provided assist with administrative costs, ABE/GED assistance, educational enhancement and cultural preservation, which include language, dance and history classes. Ideally, the cultural component of this program would thrive with its own budget. Due to the level of funding received we are only meeting 25 percent of the Tribal community needs at best. We would like to double our existing budget to better meet the needs of our ever-growing Tribal community and to enhance the services provided and enrich lives.

HIGHER EDUCATION—($81,150.00 INCREASE SOUGHT)

The objective of the higher education program is to provide assistance to the Narragansett Indian students in the attainment of a college degree at the bachelors and graduate level (based on the unmet financial need of each student). The department received 46 requests for financial assistance during the Fall 2002 and Spring 2003 semesters. The unmet financial need for these terms was $196,00.00. To date, bachelor students have received minimal assistance and graduate students cannot be assisted because we lack the necessary funds. We estimate that this program is meeting roughly 25 percent of our students' need. We would like to double the budget for this program to address the unmet need and to provide greater opportunities for our members to fulfill their higher education goals.

JOHNSON O'MALLEY—($58,094.00 INCREASE SOUGHT)

The Johnson O'Malley program provides services to meet the unique and special needs of the Narragansett Indian Children, which are not met by schools and or other departments/agencies. The department presently operates a reservation based homework center and will be employing two (2) part-time tutors and one (1) cultural coordinator. These positions are being advertised based on responses from the 2002 JOM Needs Assessment. To date, the funding received makes it impossible to meet the needs of our 768 eligible students and the goals and objectives of the contract. Our overall goal is to afford the children of the Tribe with opportunity to receive a quality education. We would like to double the budget for this program.

DAYCARE CENTER—($48,868.00-DISCRETIONARY; $52,307-MANDATORY, TOTALING $101,175.00)

The Narragansett Indian Tribe is anticipating a Summer 2003 opening for its Hand in Hand Day Care Center. The Center will be able to serve 31 Tribal Children and the activities and projects will be child directed and culturally based to enhance their learning environment. The Tribe continues to receive a Child Care Development Fund grant annually. To date, the funding received will barely support the operational costs. We will need more funding to qualify for State licensure. We plan to meet or exceed State requirements in order to be certain that our children are in a quality childcare center. We would like to double our budget for this important program.

NARRAGANSETT INDIAN HEALTH CENTER—($403,603.00 INCREASE SOUGHT)

The Narragansett Indian Health Center (NIHC) has been in operation for six years. NIHC provides both direct onsite clinical services and Contract Health Services through local area providers. Our patient demographics remain the same as last year. Many members are unemployed, underemployed, or seasonally employed. As a result, most do not have the means for private insurance or are not eligible for state and federal insurance programs. This limits third-party billing revenue that could be used to supplement the budget.

The center employs one full-time Physician, an internist placed here through an MOA with IHS. The full-time Nurse Practitioner position is still vacant, despite numerous attempts to hire a qualified candidate and we are still advertising to fill vacated nursing positions. Lack of funding has made it difficult to recruit for and staff many of these vacancies. The result is significant unmet need, particularly, in the areas of pediatric care, OB/GYN services. Further, insufficient staff and limited services add to tribal program expenses, since we must contract out for services that we could otherwise provide on-site with additional space.

To address some of our unmet needs, the center needs a full-time Medical Social Worker, a part-time Clinical Psychologist, two additional full-time Outreach Workers, a part-time Podiatrist, Lab Technician, X-ray Technician, and a part-time Dental Hygienist. Further, we need funds to provide minimum optometry services, dental services, and other specialty clinic care on an in-house subcontracted basis.

In fiscal year 2001, NIHC applied for the Small Ambulatory Program (SAP) Grant but we were not awarded the funding. Our application for the fiscal year 2002 SAP, also, was not awarded. It was our understanding that Congress intended the grant to fund small tribes; however, only large tribes have received funding, to date. Please note that while no eastern area tribes have been funded, we just received a letter from IHS officials asking if we intend to resubmit our application for the fiscal year 2003 SAP. We are responding affirmatively.

The Narragansett Indian Tribe applied for the grant as a means to offer our community a "one stop shopping" concept for its health care needs-providing all services under one umbrella of a centralized health and human services facility. The existing building is too small to house the health programs currently offered and leaves no room for the future expansion of services that are necessary to meet tribal needs. An example of this occurred during a recent emergency when it became clear that stretchers could not fit around hallway corners. Further, there is no place for doing emergency Cardio-Pulmonary Resuscitation (CPR) other than a conference room table or the floor. Exam rooms are too small to accommodate three people comfortably and staff office space is crammed. The current space limitations also do not allow for the incorporation of the Indian Child Welfare and Social Services Departments into our concept of a centralized health and human service facility. This results in unnecessary transportation hardships on many of our tribal members, as they have to travel to another town to access these services. Since there are currently no funds appropriated for the SAP grant in fiscal year 2004, we urgently request your support of our application for the fiscal year 2003 grant.

In addition to the funding necessary to replace or expand our existing facility, we are requesting an increase in our IHS program funds of $403,603.00. Among other obstacles, Contract Support Costs shortfalls and insufficient funding continue to impact program operations. The Tribe will use additional funds to hire the necessary staff to provide a range of services that are severely lacking in our community.

SOCIAL SERVICES DEPARTMENT—($385,000 INCREASE SOUGHT)

The Social Service Department operates a number of programs to provide services for eligible tribal members who reside in Washington County, Rhode Island, the designated service delivery area for the Narragansett Indian Tribe. Services provided include General Assistance, Child Welfare Assistance, Adult Care, Miscellaneous Assistance, Family/Community Services, Emergency Assistance-food, clothing, housing/shelter-Heating Assistance, and referrals to and assistance with alternate resource agencies, when necessary. The objective of the Social Services Department is to assist in the enhancement of everyday living for eligible tribal members and to help build and strengthen the dignity and self worth of the tribal members so they can obtain self-sufficiency.

To date, the Social Services Department remains understaffed. Two full-time caseworkers and an administrative assistant staff the department. Under the oversight of the Director of Heath and Human Services, the staff is responsible to deliver all aspects of social welfare programs for more than 1300 tribal members residing in Washington County. Insufficient staff and funding result in much unmet need among our tribal members, since those factors restrict outreach efforts and make

proactive activities essentially nonexistent. With out additional full-time caseworkers, the tribe can better address the tribal community's unmet needs. The tribe seeks $150,000 additional recurring program dollars to hire staff and to expand program services.

The Tribe needs an additional $235,000 to incorporate the Indian Child Welfare and Social Services Departments into the Narragansett Indian Health Center. This is in our efforts to provide "one-stop shopping", centralized health and human services facility for our tribal community. That will decrease the transportation burdens placed on both tribal members and tribal programs' transportation services.

Our efforts to increase funding for the Social Services Department, through grant writing and other means have been unsuccessful. It has come to our attention that funding for that BIA program is based on the number in the tribal population and the poverty index. Our current funding is based on population figures taken from the 1990 census. The Tribe needs Congress to authorize the use of the 2000 census figures as a means to determine funding levels, which will reflect more closely the appropriations needed to fulfill our social services obligations to our tribal community.

PREPARED STATEMENT OF THE NATIONAL AMERICAN INDIAN COURT JUDGES ASSOCIATION

On behalf of the National American Indian Court Judges Association (NAICJA), I am pleased to submit this testimony on the fiscal year 2004 budget for the Interior Department's funding for the Indian Tribal Justice Act and Tribal Courts (under the Tribal Priority Allocations). We request $73.4 million for Tribal Courts.

The National American Indian Court Judges Association (NAICJA), www.naicja.com, was incorporated in 1969. NAICJA is the largest organization representing Tribal Judges and Tribal Courts in the United States. The mission of NAICJA is to strengthen and enhance all Tribal justice systems through improvement and development of Tribal Courts and Tribal Court Judges.

INTERIOR DEPARTMENT FUNDING INDIAN TRIBAL JUSTICE ACT AND TRIBAL COURT FUNDING

Full Funding for the Indian Tribal Justice Act; $58.4 million.—NAICJA respectfully requests that, for the first time, Congress appropriate full funding for Indian Tribal Justice Act: NAICJA recommends a funding level of $58.4 million. On December 21, 2000, the 106th Congress re-affirmed the Congressional commitment to provide this increased funding for tribal justice systems when it re-authorized the Indian Tribal Justice Act for seven more years of funding at a level of $58.4 million per year (see Public Law 106–559, section 202). NAICJA strongly supports FULL FUNDING of the Indian Tribal Justice Act as promised in 1993. NAICJA requests funding at a much higher rate since the number of tribal courts and their needs have substantially increased since the Act was entered into law in 1993—nearly ten years ago.

Tribal Courts—an additional $15 million (under the Tribal Priority Allocations Account).—NAICJA strongly supports increased funding for Tribal Courts to a level of $15 million under the Tribal Priority Allocations (TPA). This minimal increase represents only a minimal first step towards meeting the vital needs of tribal justice systems. It is important to note that funding has steadily decreased since the passage of the Indian Tribal Justice Act. The needs (as recognized by Congress in the enactment of Public Law 103–176 and re-affirmed with the enactment of Public Law 106–559), however, have only been compounded with the passage of time, the increase in tribal courts (170 to approximately 300), the increase of caseloads, population growth, and rise in crime rate in Indian country.

Tribal Courts must deal with a wide range of difficult criminal and civil justice problems on a daily basis, including the following:

—The crime rate, especially the violent crime rate, has increased substantially in Indian Country. (At the same time, it has been declining nationally.) Tribal court systems are grossly under-funded to deal with increasing criminal justice problems.

—Number/complexity of tribal civil caseloads have also been rapidly expanding. Tribal Courts are expected to deal with the same complex civil cases as state and Federal Courts with grossly less funding.

—Congress acknowledged the need for better funded Tribal Court systems when it enacted the Indian Tribal Justice Act in 1993. Congress specifically found that "tribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health and safety and the polit-

ical integrity of tribal governments" and "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation."

—The Indian Tribal Justice Act promised more than $58 million per year in additional funding for Tribal Court systems starting in fiscal year 1994. Tribal Courts have yet to see ANY funding under this Act.

—Since Congress enacted the Indian Tribal Justice Act, the needs of Tribal Court systems have continued to increase, but there has been no corresponding increase in funding for Tribal Court systems. In fact, the Bureau of Indian Affairs funding for Tribal Courts has actually decreased substantially since the Indian Tribal justice Act was enacted in 1993.

The vast majority of the approximately 300 Tribal court systems are located in rural communities. These Tribal justice systems face many of the same difficulties faced by other isolated communities, but these problems are greatly magnified by the many other complex problems that are unique to Indian country. In addition to the previously mentioned problems, Tribal justice systems;

—lack sufficient jurisdiction over non-Indians

—have complex jurisdictional relationships with Federal and state criminal justice systems

—have inadequate staffing for law enforcement

—tend to be a great distance from the few existing resources outside of the Tribe

—face a lack of detention facilities

—have a limitation of sentencing or disposition alternatives

—lack of access to advanced technology

—lack substance abuse testing and treatment options

In most Tribal justice systems, 80–90 percent of the cases are criminal in nature and 90 percent of these cases involve the difficult problems of alcohol and/or substance abuse.

IMPORTANCE OF TRIBAL COURTS

Tribal justice systems are the primary and most appropriate institutions for maintaining order in Tribal communities.

"Tribal courts constitute the frontline tribal institutions that most often confront issues of self-determination and sovereignty, while at the same time they are charged with providing reliable and equitable adjudication in the many and increasingly diverse matters that come before them. In addition, they constitute a key tribal entity for advancing and protecting the rights of self-government. . . . Tribal courts are of growing significance in Indian Country." (Frank Pommersheim, Braid of Feathers: American Indian Law and Contemporary Tribal Law 57 (1995)).

Tribal Courts must deal with the very same issues state and Federal courts confront in the criminal context, including, child sexual abuse, alcohol and substance abuse, gang violence and violence against women. Tribal Courts, however, must address these complex issues with far fewer financial resources than their Federal and state counterparts. Judicial training that addresses the existing problems in Indian Country, while also being culturally sensitive, is essential for Tribal Courts to be effective in deterring and solving crime in Indian communities.

INADEQUATE FUNDING OF TRIBAL JUSTICE SYSTEMS

There is no question that Tribal justice systems are, and historically have been, under-funded. The 1991 United States Civil Rights Commission found that "the failure of the United States Government to provide proper funding for the operation of tribal judicial systems . . . has continued for more than 20 years." The Indian Civil Rights Act: A Report of the United States Civil Rights Commission, June 1991, p. 71. The Commission also noted that "[f]unding for tribal judicial systems may be further hampered in some instances by the pressures of competing priorities within a tribe." Moreover, they opined that "If the United States Government is to live up to its trust obligations, it must assist tribal governments in their development . . ." More than ten years ago, the Commission "strongly support[ed] the pending and proposed congressional initiatives to authorize funding of tribal courts in an amount equal to that of an equivalent State court" and was "hopeful that this increased funding [would] allow for much needed increases in salaries for judges, the retention of law clerks for tribal judges, the funding of public defenders/defense counsel, and increased access to legal authorities."

With the passage of the Indian Tribal Justice Act, 25 U.S.C. § 3601 et seq. (the "Act"), Congress found that "[T]ribal justice systems are an essential part of tribal governments and serve as important forums for ensuring public health, safety and the political integrity of tribal governments." 25 U.S.C. § 3601(5). Congress found

that "tribal justice systems are inadequately funded, and the lack of adequate funding impairs their operation." 25 U.S.C. § 3601(8). In order to remedy this lack of funding, the Act authorized appropriation of base funding support for tribal justice systems in the amount of $50 million for each of the fiscal years 1994 through 2000. 25 U.S.C. § 3621(b). An additional $500,000 for each of the same fiscal years was authorized to be appropriated for the administration of Tribal Judicial Conferences for the "development, enhancement and continuing operation of tribal justice systems . . ." 25 U.S.C. § 3614.

Nine years after the Act was enacted into law, and even after reauthorization, no funding has been appropriated. Only minimal funds, at best, have been requested. Yet, even these minimal requests were deleted prior to passage. Even more appalling is the fact that BIA funding for Tribal Courts has actually substantially decreased following the enactment of the Indian Tribal Justice Act in 1993.

CONCLUSION

Tribal justice systems are the primary and most appropriate institutions for maintaining order in tribal communities. They are key to tribal economic development and self-sufficiency. Any serious attempt to fulfill the federal government's trust responsibility to Indian Nations must include increased funding and enhancement of Tribal justice systems. We respectfully request that Congress consider the funding increases.

We welcome the opportunity to comment on the Interior Department's fiscal year 2004 Budget Request for the Indian Tribal Justice Act and Tribal Courts (under the Tribal Priority Allocations).

Please contact Judge Eugene White-Fish, President, NAICJA at (715) 478–7255, or NAICJA Executive Director Chuck Robertson, at (605) 342–4804 or naicja@rushmore.com with questions or comments. Thank you.

PREPARED STATEMENT OF THE NAVAJO NATION

The Navajo Nation welcomes this opportunity to provide recommendations on the proposed federal fiscal year 2004 budget for the Interior, including the Indian Health Service and the Bureau of Indian Affairs requested budgets. The Navajo Nation requests that:

The Appropriation Subcommittee not appropriate funding for the Department of the Interior's proposed BIA Reorganization.—The Navajo Nation is opposed to the Interior's proposal due to lack of tribal consultation. The Interior has yet to submit a formal proposal to Congress, the Navajo Nation or Indian tribes to consult and comment on.

The Appropriation Subcommittee not appropriate funding for the Proposed BIA "Privatization" School Initiative.—In the President's budget, increased funds were requested to make BIA schools attractive for private educational companies, yet the Navajo Nation and other tribes have repeatedly asked the BIA to increase funds for its BIA schools but have been constantly denied. The BIA has yet to have consultation to fully discuss tribal education plans.

The Navajo Nation requests fiscal year 2004 appropriations in the amount of:

Navajo Indian Irrigation Project (NIIP).—$30,000,000. The Navajo Nation requests full funding for NIIP. NIIP construction is a legal obligation of the federal government based on statute.

Navajo Southwest Judicial Complex.—$20,000,000. Current court facilities built in the 1950's are dilapidated. This funding would enhance self-determination and encourage economic self-sufficiency.

Crownpoint Institute of Technology (CIT).—$1,500,000. CIT is a critically important educational institution that reduces unemployment and attracts businesses to the Navajo Nation.

Southwestern Indian Polytechnic Institute (SIPI).—$5,730,000. SIPI is one of two fully accredited universities in the Bureau's education system.

INDIAN HEALTH SERVICE

Contract Support Cost Grants.—$20,000,000. Contract support costs are necessary to fund the Navajo Nation's self-administered healthcare to the Nation's approximately 250,000 citizens.

Facilities.—The Navajo Nation supports the President's request for $4,000,000 for Fort Defiance Hospital Staff Quarters; $21,573,000 for the Pinon Health Center; and $30,000,000 for the Red Mesa Health Center.

BUREAU OF INDIAN AFFAIRS

BIA Roads Maintenance.—$32,100,000. Tribes are in need of solid infrastructure and the funds to maintain existing roads and new road construction.

Law Enforcement.—$172,663,760. The Navajo ratio of 0.3 police officers per 1,000 population is dangerously below the necessary minimum rural-setting ratio of 3 officers per 1,000 population.

Indian Police Academy.—$2,545,530. The Indian Police Academy provides basic and advanced law enforcement training for Bureau law enforcement and detention officers.

Justice Systems.—$10,000,000. Congress passed the Indian Tribal Justice Act of 1993, but has never provided appropriations for adequate based funding for tribal courts.

Tribal Courts.—$18,292,720. Tribal courts have long been under funded and under developed. The Navajo Nation is focusing on strengthening its courts as a means for creating safe communities and building infrastructure for economic development.

Tribal Education Department (TEDs).—$1,000,000. Congress authorized appropriations for the development of TEDs in Public Law 95–561, but has never appropriated this initiative.

School Construction.—$131,400,000. The Navajo Nation's request supports a serious commitment to building Indian schools, of which the Navajo Nation has a majority of BIA schools slated for replacement.

Facilities Improvement and Repair (FI&R).—$165,000,000. The Navajo Nation supports funding that will eliminate this backlog of repairs at these schools.

Education Facilities Operations.—$74,900,000. The Navajo Nation does not support the President's request of $57,687,000. If the Administration requested full funding, then schools would not have to cover operations from funds appropriated for instruction.

Minor Improvement and Repair (MI&R).—$17,747,491, of which the Navajo Nation requests $3,000,000 for the Navajo Area. The Navajo Nation has the majority of BIA education facilities to maintain.

Indian School Equalization Program (ISEP).—$361,000,000. This amount will at least cover the required pay cost adjustments and prevent actual declines in the instructional program. However, since education is a priority of the President and the Congress, it is disappointing that there is not a significant increase in this line item.

ISEP-Pro Ajustments.—$6,072,250. This amount would allow tribes to plan and assume greater control of their educational programs.

Administrative Cost Grants (ACG).—$61,400,000. The Navajo Nation's request is consistent with the BIA's stated initiative to encourage tribes to contract/grant the remaining BIA schools.

Student Transportation.—$55,000,000. Navajo Nation's request would help to fully implement President Bush's education policies, as funds for Indian student transportation is a must.

Family and Child Education Expansion (FACE)—$15,800,000. The Navajo Nation supports the FACE program as it has done much to facilitate learning on the Navajo Nation.

New Schools and Program Expansion.—The Navajo Nation requests that the Appropriations Committee lift the 1992 Appropriation Act moratorium on BIA program expansion and new BIA schools so that the Navajo Nation may better serve its students.

Johnson O'Malley Program (JOM).—$18,310,910. The JOM Program provides funds to supplement the regular school program. JOM programs are used for tutoring, academic support, cultural activities, summer education programs and after school activities. Navajo Nation provides supplemental funding to provide special services to meet the unique and specialized needs of over 52,000 Native American students through 36 subcontracts in public schools on or near the Navajo reservation in the states of Arizona, New Mexico, and Utah.

Scholarship Funding.—$30,000,000, of which, $1,223,397 should be directly allocated to the BIA Navajo Area. The Navajo Nation supports President Bush's committed to education, and asks for a strong commitment to assist Indian.students in Higher Education.

Adult Education Scholarships.—$3,210,000. While the Administration may emphasize elementary and secondary education, the Navajo Nation still believes in including all of its citizens to gain education opportunities.

Special Higher Education Scholarships.—$1,605,000. There must be an emphasis on adults achieving higher education. BIA Scholarship provides supplemental financial assistance to Indians for graduate level study.

Tribally Controlled Community Colleges (TCCCs).—$44,940,000 of which, $40,029,000 would be for Operating Grants. TCCCs encourage tribal members to attend school, obtain new skills and a better quality of life.

Environmental Projects/Assessments/Inspections/Abatement.—$12,466,570. Many BIA schools have asbestos in their facilities and a reduction in this area does not show commitment to have healthy environments for children. Navajo has schools listed on the BIA priority list.

Social Services under Tribal Priority Allocations.—$33,299,390.

Indian Child Welfare Act.—$12,460,150. Protecting Navajo children is a duty for creating healthy families and strong communities. Reducing these funds does neither.

Housing Improvement Program (HIP).—$35,310,000. The Navajo Nation strongly encourages full funding of HIP to maintain safe living environments for Indian people living in harsh and economic deprived environments.

Public Safety Minor Improvement and Repair (MI&R).—$857,070. The Navajo Area has many facilities that need immediate repair to keep its Public Safety facilities safe. The Navajo Area receives the lowest of the BIA regions and is requested at only $50,000.

Bennett Freeze Area Rehabilitation.—$20,000,000. As a result of the Bennett Freeze, construction and development in the western portion of the Navajo Nation has been impossible for nearly 40 years. During these 40 years, Navajo families living in the Bennett Freeze area could not take advantage of federal, state or tribal programs. The area is in severe need of these development funds.

Office of Navajo and Hopi Relocation.—$30,000,000. ONHIR received $15 million in fiscal year 2001 and again in fiscal year 2002. Many Navajos continue to wait to receive housing and other promised benefits under the Navajo-Hopi Settlement Act. In order to accelerate the provision of such benefits, the Navajo Nation requests that this federal agency's budget be doubled to $30 million.

Relocation Act Study.—$1,000,000. The relocation. law has resulted in the dislocation of 10,000 Navajos, dramatically impacted local Navajo and non-Indian communities, and cost the federal government approximately $400 million. The time has come for a comprehensive study of the effects of the relocation law, with a focus on long-term impacts that may have to be mitigated over the next 20 years.

HPL Community Center.—$1,000,000. Due to construction and development freezes, Navajo families who reside on the Hopi Partitioned Lands, have never had any facilities developed to support their community. This funding would facilitate badly needed community services.

Water Management, Planning, and Pre-Development—$8,615,640. To assist the Navajo Nation in effectively managing its water, especially during these times of drought in order to stabilize water usage in the west.

BUREAU OF RECLAMATION (BOR)—BUREAU OF RECLAMATION EFFICIENCY INCENTIVES PROGRAM

Navajo-Gallup Water Supply Project.—$500,000. This amount would enable the BOR to complete the planning report and the environmental impact statement to continue this Project. The Project will create the infrastructure necessary to provide critically needed water to tribal and non-tribal communities in New Mexico.

Ganado Water Conservation and Management Project.—$350,000. This amount will allow irrigators to have access to water from the Ganado Reservoir.

Navajo Nation Drought Relief Within New Mexico—$1,340,000. This would allow BOR Emergency Drought Relief Act funds for Spencer Valley (Manuelito Chapter) for a conveyance line ($90,000); at Torreon Chapter for a new water source ($450,000); and at Baca/Haystack Chapter for water source and storage ($800,000).

Navajo Nation Drought Relief Within Arizona.—$2,000,000. BOR Emergency Drought Relief Act funds for Teec Nos Pos Chapter for a new water source ($470,000); Fort Defiance Chapter for a replacement well and storage ($250,000); Tuba City Chapter for water source and storage ($380,000); and Cameron-Grey Mountain for water source and storage ($900,000).

Navajo Mountain Public Water System.—$4,000,000. The Navajo Mountain Public Water System is inadequate to provide for the needs of the community and its schools as it depends on springs that are unreliable during dry periods. Last year the Navajo Nation had to resort to hauling water more than 40 miles to provide drinking water for the community and resulted in the closing of the schools during the summer months. The proposed project would cost approximately $6 million. Programmatic funding committed through the U.S. EPA and BIA totals $2 million.

BUREAU OF LAND MANAGEMENT (BLM)

Dine Power Authority (DPA).—$1,500,000. This would allow DPA to complete archaeological, biological and cultural studies, and related mitigation measures, within the right of way corridor on Navajo lands for the Navajo Transmission Project.

PREPARED STATEMENT OF THE NEZ PERCE TRIBE

The Nez Perce Tribe requests the following funding amounts for fiscal year 2004, which are specific to the Nez Perce Tribe:

—$100,000 through the United States Department of the Interior, Bureau of Indian Affairs, Fish and Wildlife Program to support its fisheries efforts relating to consultation on hydrosystem operations, Endangered Species restoration, harvest monitoring, conservation enforcement, and program administration.

—$600,000 (request includes $450,000 as appropriated in fiscal year 2003, for continuing efforts plus $150,000 increase for expanded needs as part of an overall fiscal year 2004 program request of $1.16 million appropriation request) through the United States Department of the Interior, Fish and Wildlife Service, Threatened and Endangered Species Program for continued operation of the Nez Perce Tribes gray wolf recovery, monitoring, research and outreach programs in Idaho. This $600,000 request is part of a larger appropriation package totaling $1.16 million, prepared by the Nez Perce Tribe after initial discussions with the State of Idaho Office of Species Conservation, in order to create a wolf recovery program in the state of Idaho, that anticipates probable delisting of wolves from the Endangered Species list, by adequately funding the coordinated and shared responsibilities of the Nez Perce Tribe, State of Idaho, and Fish and Wildlife Service.

The Tribe urges support for the full and adequate funding of tribal programs through the Department of Interior fiscal year 2004 budget, with the specific requests discussed below.

NEZ PERCE TRIBE DEPARTMENT OF FISHERIES RESOURCE MANAGEMENT FUNDING: BIA, $100,000

The Nez Perce Tribe requests $100,000 be added to its Bureau of Indian Affairs Public Law 93–638 contract for enhanced capabilities in its fish recovery effort.

The Nez Perce Tribe has one of the largest and most successful tribal fisheries management programs in the United States. We take our challenge of restoring the fisheries resources in Idaho, northeast Oregon, and southeast Washington very seriously. The Tribe has brought back coho salmon from extinction, is utilizing hatchery supplementation to return ESA listed spring, summer, and fall Chinook and restore these populations to harvestable levels, and is the single-most active habitat restoration entity in the Snake River Basin. We employ 150 to 200 people, most of which are tribal members, and maintain four offices in Oregon and Idaho. Principle program areas include Administration, Research, Habitat, Conservation Enforcement, Resident Fish, Harvest, and Production. The Tribe's Fisheries Management program is focused on restoring and maintaining an abundance of fish populations within the Tribe's treaty lands in order to provide for environmental and cultural health and meet recreational, commercial and subsistence fishing needs.

The Nez Perce Tribe's Fisheries Management Program is built upon the extremely strong treaty rights retained by the Tribe. Among other things, the treaties guarantee the right of the Tribe to harvest fish at virtually every single river and stream flowing through the lands ceded to the United States and at all usual and accustomed areas. The Tribe's ceded lands sit astride the largest and best salmon habitats remaining in the northwest—the Snake River Basin. This is the "breadbasket" of the Columbia, although now, most salmon runs returning here are listed as threatened or endangered under the Endangered Species Act (ESA). Rather than continuing with this status quo, and having the actualization of treaty rights depend upon what the federal and state fisheries managers could provide, the Tribe initiated its own program.

The Fisheries Program relies on a host of funding sources, including the Lower Snake River Compensation Program, Bonneville Power Administration's Fish and Wildlife Mitigation Program, and the Pacific Coastal Salmon Recovery Fund initiative. In addition, the Tribe has sought opportunities to utilize its contracts as matching funds with various federal and private partners. However, these funding sources are very project specific and short-lived. The addition of appropriated dollars through the BIA is critical to funding overall management activities required for Program Administration, Harvest Monitoring and Conservation Enforcement. These

programs are central to the Tribe's fisheries management responsibilities as established in the treaties and further delineated in litigation regarding implementation of hunting and fishing treaty rights.

An increase in funding through the BIA is required to deal with these core management actions. For several years the salmon runs have returned in larger numbers and to many more streams than have occurred in the past. These larger returns are due to a number of factors, but importantly have responded to the Tribe's supplementation efforts using hatchery fish. As a result of the larger returns, tribal commercial and subsistence harvest activities and harvest opportunities for sportsmen are occurring over a much broader area of the ceded lands and the usual and accustomed fishing areas, and for longer periods of time. Consequently, costs associated with the central administration, enforcement, and harvest monitoring actions are similarly increasing. With increasing success come increasing responsibilities.

Additionally, Tribes have never had access to federal aid in fisheries work through the Pittman-Robertson, Dingell-Johnson, and Wallop-Breaux Acts. These funds are derived from a federal tax paid on outdoor and sporting equipment. States are provided these funds to supplement their fish and wildlife programs for just such needs as identified in the Tribe's appropriation request. While tribal members pay taxes on the sale of certain sporting goods items, tribal governments do not receive any of the federal tax revenue.

The requested fiscal year 2004 funding would support two staff positions in Administration, six in Harvest Monitoring and ten in Conservation Enforcement. Although the jobs are located in Idaho, work conducted by the positions occurs primarily in Idaho, but also in Washington and Oregon.

The Nez Perce Tribe urges Congress to appropriate $100,000 through the United States Department of the Interior, Bureau of Indian Affairs, Fish and Wildlife Program to support the fisheries efforts of the Nez Perce Tribe.

NEZ PERCE TRIBE'S CENTRAL IDAHO GRAY WOLF RECOVERY PROGRAM FUNDING: USFWS, $600,000

The Nez Perce Tribe (Tribe) requests that Congress direct the U.S. Fish and Wildlife Service (Service) to allocate $600,000 for wolf recovery efforts by the Tribe, for tasks identified in a cooperative agreement between the Tribe and Service. The Tribe's fiscal year 2003 appropriation for wolf recovery was $450,000. The Tribe is requesting an additional $150,000 above the fiscal year 2003 appropriated level of $450,000 for a total fiscal year 2004 program budget of $600,000. The Tribe anticipates using the additional funds to expand efforts of previous years to retain more staff; increase on-the-ground presence especially in areas of new or recent wolf activity; update the monitoring program to enable the Tribe to develop a methodology to continue to produce accurate estimates of population size using less intensive monitoring techniques; expand field operations especially focusing on documenting and radio collaring new packs and maintaining radio-collars in existing packs; acquire equipment; increase continuing reporting and information dissemination activities; hold informational public meetings in affected communities; document new packs; establish a system of special effort to notify landowners, grazing permittees, agencies, and others who have particular needs for the information gathered; and develop and deliver all maps and reports due per the existing cooperative agreement with the Service.

The Nez Perce Tribe and the USDA APHIS Wildlife Service staff have been the primary entities responsible for the day-to-day recovery and management of wolves in Idaho. The Tribe has provided such services as monitoring wolves; providing information to agencies, organizations and the public; working with affected and interested parties to address concerns supporting the implementation of directed wolf research; assisting with resolution of wolf-livestock conflicts; and assisting Service's Law Enforcement personnel when requested. Yet, more effort is needed. The Idaho wolf population is growing in numbers and expanding into new geographic areas. Additional funding is needed to continue providing Recovery Program services to newly affected communities with the geographic expansion of the wolf population.

The Tribe and the State of Idaho as represented by the Idaho Office of Species Conservation (OSC) submitted a joint appropriation request for fiscal year 2003 including $600,000 for the Tribe, $460,000 for OSC and $100,000 for the Service. The Tribe anticipated filing a similar joint federal appropriation request with the OSC for fiscal year 2004, but opted not to do so when the OSC asked the Tribe to limit its fiscal year 2004 request to only $400,000 this year, which is $50,000 less than the Tribe received in fiscal year 2003 and $200,00 less than the Tribe and OSC requested for the Tribe in fiscal year 2003. The OSC is requesting an increase of nearly $200,000 over fiscal year 2003 appropriated levels, which would equal the

$460,000 amount previously requested by OSC in fiscal year 2003. The Tribe supports the State of Idaho in its fiscal year 2004 request for increased federal appropriations for planned wolf management efforts as long as it is not at the expense of the Tribe's request for $600,000. To that end the Tribe has included a request for $460,000 for the OSC in the Tribe's fiscal year 2004 appropriation request package of $1.16 million. As respective fiscal year 2004 workloads between the Tribe and OSC have not changed considerably from fiscal year 2003, as outlined in the fiscal year 2003 and fiscal year 2004 appropriations requests, the Tribe feels strongly justified in requesting funding needs similar to those requested in fiscal year 2003, as does OSC.

The Nez Perce Tribe continues to hold legal and contracted obligations to recover and manage wolves in Idaho pursuant to a cooperative agreement with the Service and a Service approved Tribal wolf management plan. Until such time as the tribal contractual obligations are changed through consensual efforts between the Tribe, OSC and Service, the Tribe needs full funding to carry out its contractual obligations. The OSC and the Tribe have agreed to continue with negotiations to develop and adopt an MOA outlining respective roles and responsibilities for coordinated wolf management after wolf management shifts from the Federal Government to the State and Tribe. We hope to conclude those discussions before the final appropriations are decided late this summer. The Tribe believes this MOA and subsequent additionally required MOA's coordinated between the OSC and the Tribe and the Service are the appropriate vehicles for reapportioning respective roles and responsibilities, legal contractual obligations and funding among the parties. Funding levels should be closely tied to and follow agreed to workloads identified in the MOA between the Tribe and Service and the MOA's between the Service and Tribe and OSC and Tribe. The Tribe feels strongly that reapportioning funding levels prior to reallocation of respective roles and responsibilities through the MOA's is premature, as the Tribe continues to hold full legal obligations for the entire Recovery Program as outlined in our current cooperative agreement with the Service.

The Nez Perce Tribe requests that Congress support wolf recovery in Idaho by fully funding the Tribe's total wolf recovery appropriation request package which seeks appropriations for the Nez Perce Tribe, the Idaho State Office of Species Conservation, and U.S. Fish and Wildlife Service's Snake River Basin Office. At a minimum, however, the Nez Perce Tribe requests that Congress appropriate $600,000 specifically to the Nez Perce Tribe which is necessary for the Tribe to adequately monitor the expanding wolf population in Idaho and provide accountability to local affected rural communities and Idaho citizens.

Thank you for your continued support of the Nez Perce Tribe's fish and wolf recovery efforts.

PREPARED STATEMENT OF THE NORTHWEST INDIAN FISHERIES COMMISSION

On behalf of the Northwest Indian Fisheries Commission member tribes, I want to thank the Subcommittee for the opportunity to present this written testimony on our fiscal year 2004 fisheries and habitat management needs. Funds for these programs should be directed to the Fish, Wildlife and Parks Account within the Bureau of Indian.

SUMMARY OF FISCAL YEAR 2004 APPROPRIATIONS REQUEST

The NWIFC generally supports the enacted fiscal year 2003 appropriation levels. We request funding and direction which will achieve the following for fiscal year 2004:

—Restore $320,000 to the Unresolved Hunting and Fishing Rights account
—Restore $550,000 for Western Washington tribal shellfish management and enforcement
—$6.3 million to implement tribal treaty rights in tribal shellfish programs
—$22 million for federal contribution of Tribal/Growers shellfish settlement
—Restore $3.0 million Forest Development, Woodland Management, Northwest Forest Plan, Jobs in the Woods and Wild Stock Restoration Initiative
—Restore $3.1 million for the Timber-Fish-Wildlife Forest and Fish Report
—$1.0 million Increase for Timber-Fish-Wildlife ESA Obligations under new state and private forest practices rules and regulations
—Increase Hatchery Cyclical Maintenance/Rehabilitation funding to $2.5 million with language
—Support existing funding levels within the BIA for Trust Responsibility, TPA, and Self Governance for Fisheries Management/U.S.-Canada Pacific Salmon at fiscal year 2003 levels

—Include Committee Language directing the BIA to include Shellfish, Forest and Fish Report and Unresolved Hunting and Fishing in the fiscal year 2005 Budget
—Fully fund CSC at levels necessary for existing and emerging programs

TRIBAL AND NWIFC BASE PROGRAMS NEED CONTINUED SUPPORT

Tribes have made great strides in institutionalizing management consistent with tribal values, treaty rights and federal court decisions. Tribes have developed great professional capabilities and policy respect, and are efficient and effective, but find ourselves far short of where we would like to be in our capabilities. And, while we have efficiently organized our tasks and assigned responsibilities between our tribal communities to extend our collective efforts, the management obligations are many. New and highly difficult complexities abound, many are precipitated by the demands of the Endangered Species Act (ESA) and the Clean Water Act (CWA). Treaty rights to harvest shellfish are thwarted due to pollution in marine waters. To meet this challenge, we will need all of our existing funding and additional new resources.

Over the past decade, tribes have been able to secure new monies for additional responsibilities. However, over the same time, tribes have seen other monies they once received for other duties diminish, either through inflation or through the elimination of program and support funding. And in this process, Indian natural resource management capacity has been unfairly affected. Therefore, we strongly urge the Subcommittee to guard against any further diminishment of the tribal program funding base, and do all it can to strengthen and enhance the Bureau's Trust, Tribal Priority Allocation and Self-Governance Program funding. We ask that the Subcommittee ensure that the Western Washington-Boldt Implementation and the Pacific Salmon Treaty base budgets be fully funded as was included in last year's appropriation. We note with concern the reduction of $320,000 from the Unresolved Hunting and Fishing Rights line item, and ask that it be restored. Tribes are using these monies to develop in-common and co-management databases, population assessments and other activities with the state of Washington.

SHELLFISH MANAGEMENT INITIATIVE

For centuries, members of Puget Sound and Coastal Treaty Tribes have harvested shellfish for their commercial, ceremonial and subsistence needs. Hard shell and razor clams and oysters were collected from shoreline areas. Other shellfish species, such as crab and shrimp, were also gathered for subsistence and commercial uses. Shellfish harvesting was as important to tribal traditional life and commerce, as was fishing for salmon and steelhead.

Tribes signed treaties with the United States in the mid-1850s, that included guaranteed tribal rights to gather shellfish. However, over the course of the past century and a half, conflicts arose, and the tribal right to harvest these resources was diminished. As a result, tribes were forced to seek a reaffirmation of their rights through the federal courts system. In 1999, the Supreme Court denied cert. and let stand the favorable decision of the 9th Circuit Court. Tribes have steadily moved forward during this time in implementing their treaty rights to harvest their share of the resource. However, Tribes need monies to implement this right, in much the same way as they did after the original *U.S.* v. *Washington* case was decided. Several dozen regional shellfish management plans have been successfully negotiated with tribal and state agencies, and tribes have redirected efforts to conduct the minimum management needed for their fisheries. Agreements and processes to access private tidelands have also been proceeding peacefully. Without new resources this success will be short-lived.

During the course of the court case, tribal and state attorneys were able to negotiate a consent decree regarding shellfish sanitation. This agreement establishes shellfish sanitation programs designed to protect the public health. The implementation of the decree has revealed that the presence of biotoxins in shellfish is dangerously unacceptable, and threatens the viability of both the state and tribal fisheries. Additional research and monitoring of this biotoxin is necessary to prevent illness and death that may result from consuming toxic shellfish. The significant value of deep-water shellfish fisheries has increased illegal harvesting and enforcement is inadequate. Tribes and state enforcement agencies are addressing problems by coordinating patrols, but additional monitoring of harvest is needed.

It is clear that more needs to be done to adequately address resource concerns for the benefit of all fisheries, Indian and non-Indian alike. The Western Washington tribes request the Subcommittee to restore last years funding of $550,000, and add an additional $6.3 million to tribal fishery management contracts as part of the permanent base.

We are also asking the Committee for its help in funding a final settlement decree between treaty tribes and a number of private shellfish growers. This settlement will allow tribes to shift their treaty reserved rights from harvesting of grower owned land-to-land acquired under the terms of this settlement. The entire cost of this settlement will be $33 million, with the cost split two-thirds–one-third between the federal and state governments.

WILDSTOCK RESTORATION INITIATIVE, WATERSHED RESTORATION, NORTHWEST FOREST PLAN, AND ENDANGERED SPECIES ACT IMPLEMENTATION

In 1999, a number of species of Pacific Salmon were listed by the National Marine Fisheries Service as threatened under the terms of the Endangered Species Act (ESA). Last year, the Bull Trout was listed as threatened by the U.S. Fish and Wildlife Service. This ESA listing process is triggering a cascading chain of events, and will culminate in significant changes to harvest, hatchery and habitat practices for the region and its inhabitants.

Tribes are affected by this federal process. As fisherman, the listing raises serious questions about the status of the stocks and poses a threat to the individual's opportunity to continue to harvest this salmon, a treaty-secured resource. As governments, the ESA process places inordinate demands upon the tribes as co-managers of the resource. Biological Reviews, Listing Decisions, Assessments, Opinions, Consultation, and Recovery Planning are just a few of the processes tribes will now be forced to participate in just to ensure their treaty protected fisheries. The tribes harvest opportunity and management are being placed in severe jeopardy by these actions without additional funds to manage through the risks imposed by this federal mandate.

We are requesting that the Subcommittee continue to provide $400,000 for the Wild Stock Restoration Initiative from the $3.0 million Bureau of Indian Affairs, Forest Development, Woodland Management and the Northwest Forest Plan "Jobs in the Woods" Initiative line item. The WSRI is essential to developing a habitat inventory base from which restoration efforts can begin. The remaining $2.6 million from this initiative will allow tribes throughout the Pacific Northwest to continue to conduct watershed analysis and watershed restoration within their Usual and Accustomed Areas. This approach is identical to last year's request, which the Subcommittee supported.

TIMBER-FISH-WILDLIFE/FOREST AND FISH REPORT

We are supporting the restoration of Funding to tribes for the Timber-Fish-Wildlife/Forest and Fish Report that cooperatively and collaboratively allows tribes to actively participate in state forest practice rules and regulations that have an affect on listed salmon populations. Tribes, as a result of their co-management status, are deeply involved in this management forum. The negotiations leading up to the development of the TFW Forest and Fish Report were exceedingly contentious. However, most agreed that the only way to actually resolve these issues is for a strong monitoring and adaptive monitoring process be put in place, which will require additional funding.

Tribes are using the funds provided last year by the Committee in a very organized fashion. Tribes have a strong central and regional coordination component and are focusing implementation efforts at their local watersheds. The strategy calls for two tracks. One is aimed at supporting the development of the Habitat Conservation Plan (HCP) development process at TFW. A second track supports tribal participation in TFW in a continuing effort to shape and steer forest management practices toward greater fish protection.

For fiscal year 2004, we are again requesting $3.1 million be restored plus an additional $1.0 million to further develop tribal participation in the TFW Forest and Fish effort. For each of our requests to restore funding, we ask the Committee to include language directing the Bureau of Indian Affairs to include these funding amounts in their fiscal year 2005 budget request.

HATCHERY CYCLICAL MAINTENANCE/REHABILITATION

Tribes operate extensive salmon and steelhead hatchery facilities that produce fish for tribal and non-tribal use. These facilities are located throughout the western Washington *U.S.* v. *Washington* Case Area. Many of these facilities were built with federal funding and were intended to partially fulfill federal trust responsibilities to off-set loss of fishing opportunities and fish habitat due to non-Indian action and developments.

Hatchery operations are reviewed through the Hatchery Reform Project Initiative funded through the Fish and Wildlife Service. Not unexpectedly, one of the out-

comes from this rigorous scientific review process is to make physical changes to facilities that bring them in line with the scientific review recommendations.

Tribes will need about $2.5 million to do necessary work to ensure that their facilities are ESA certified. The Bureau of Indian Affairs has a small line item that could be amended to include this kind of work. Such funding would complement state of Washington funding through their capital construction budget, and ensure that tribal facilities are improved at the same pace as state owned and operated hatcheries. Direction would need to be given to the Bureau to ensure that tribal facilities in western Washington are recipients to these monies.

CONTRACT SUPPORT FUNDING IS ESSENTIAL TO TRIBAL PROGRAMS

We continue to have concerns that the Bureau of Indian Affairs has failed to fully request Contract Support Funds for tribal programs. We are also concerned that Congress has not fully appropriated the necessary funds. An artificial cap upon the funding pool for indirect cost reimbursements places a huge burden on tribal fisheries programs. We have been, and will be forced to continue to reduce our programs to cover these costs as mandated by law. Such a burden cannot be borne by tribal programs again this year or into the future without onerous results.

CONCLUSION

We appreciate the Subcommittee's continued support for the tribes and the NWIFC as we implement co-management responsibilities. It takes funding resources to make our management system work, but the returns to our efforts are many. The challenges are great, and we must continue our effort with renewed vigor. We thank you for your attention to our needs. We have provided the subcommittee staff with additional supporting documentation for our requests. We are available to meet with you and your staff at your leisure.

PREPARED STATEMENT OF THE PUYALLUP TRIBE OF INDIANS

Mr. Chairman, my name is Bill Sterud, Puyallup Tribal Chairman. We thank the Committee for past support of many tribal issues and in your interest today. We share our concerns and request assistance in reaching objectives of significance to the Congress, the Tribe, and to 32,000+ Indians (constituents) in our Urban Service Area.

U.S. Department of Interior—Bureau of Indian Affairs.—The Puyallup Tribe has analyzed the President's fiscal year 2004 budget and submit the following detailed written testimony to the House Interior Subcommittee on the proposed funding bill for the Dept. of Interior and Related Agencies. In the fiscal year 2003 budget process, the Puyallup Tribe supported actions of Congress to restore the base level funding for various programs including the Timber-Fish-Wildlife program in the amount of $3.1 million along with $550,000 for Shellfish management. We look forward to working with the 108th Congress to insure that funding levels for programs necessary for the Puyallup Tribe to carry-out our sovereign responsibility of self-determination and self-governance for the benefit of Puyallup tribal members and the members from approximately 435 federally recognized Tribes who utilize our services are included in the fiscal year 2004 budget.

The following provides a brief review of the Puyallup Tribe's priorities and special appropriation requests for fiscal year 2004;

Chief Leshci School—Auditorium Completion & Athletic Facilities Development.—The Puyallup Tribal education support began in 1972 as the "Hawthorne School", a teen drop-in prevention program established in cooperation with Tacoma Schools on the site of the present Tacoma Dome. An Elementary School was constructed on the main tribal campus in 1978 through funding from the Economic Development Administration. The Elementary School was relocated to the Tribal Headquarters and the K–12 offerings became the new Chief Leschi School, which was designated as a tribal school through a "638 contract" with the BIA. A combination of school population and weakness in the school buildings structural integrity caused the school to relocate educational services to various sites. This initiated a request to the BIA for a new school facility.

This request was realized in 1996 with the completion of the new Chief Leshci School pre-K through 12. As of February 2003, enrollment of Native American children is 702. This enrollment figure represents native children from 65 federally recognized tribes through-out the country. As with many construction projects, limited funding and cost increases had a significant impact on the final design of Chief Leschi Schools. This is evident in the lack of an Auditorium and Athletic Facilities.

Although construction on the Auditorium was started, it was not completed due to lack of funding. We feel that the completion of the Auditorium and Athletic Facilities will significantly enhance the activities and services that Chief Leschi Schools is able to offer to the school community and our Tribe. We will request your support for the fiscal year 2004 BIA budget for the following;

—$1,554,989 for the completion of the Chief Leschi School Auditorium; and

—$2,903,020 for design and construction of the Chief Leschi School Athletic Facilities Development.

Puyallup Nation Law Enforcement.—The Puyallup Reservation is located in the urbanized Seattle-Tacoma area of the State of Washington. The 18,061 acre reservation and related urban service area contains 17,000+ Native Americans from over 200 Tribes and Alaskan Villages. The Puyallup Nation Law Enforcement Division currently has fifteen (15) commissioned officers to cover 40 square miles of reservation in addition to the usual and accustomed areas. The officers are charged with the service and protection of the Puyallup Reservation seven days a week, twenty-four hours a day. We currently operate with outdated equipment, patrol vehicles requiring constant repair and insufficient staff levels. With the continuing increase in population, increase in gang related activities on the Puyallup Reservation and the impact of the increase in manufacturing of meth amphetamines in the region, the services of the Puyallup Nation Law Enforcement Division are exceeding maximum levels.

A major area of concern is the status of the Tribe's Regional Incarceration Facility. Due to damages from the February 2001 Nisqually earthquake, we have had to relocate to modular/temporary facilities. As a regional detention facility, the relocation to the modular facility not only impacts the Tribe's ability to house detainee's but also the approximately 173 native inmates that were incarcerated at the Puyallup Incarceration facility during the period of 2001–2002. Relocation to the modular facility has also impacted the Tribes ability to house juvenile detainees. With no juvenile facilities, Native American youth are sent to non-native facilities.

We respectfully request congressional support to fund the BIA Law Enforcement program at levels adequate to operated law enforcement services at a safe and effective method and to fund the Department of Justice—Detention Facilities Construction program for fiscal year 2004. The following list is a brief summary of law enforcement needs of the Puyallup Nation Law Enforcement programs:

—Juvenile Incarceration Facility—$1,000,000 (est.);

—Staffing for Juvenile Facility—8 employees @ $320,600;

—Adult Incarceration Facility—$2,500,000 (est);

—Additional staff for dispatching center—3 employees @ $120,800;

—Additional Officers—4 @ $225,900;

—Equipment; firearms, radios and equipment—$30,000;

—Technologies, hardware and software—$80,000;

—Patrol vehicles—2 @ $60,000;

—Training—$30,000.

Fisheries & Natural Resources Management.—The Puyallup Tribe as steward for land and marine waters in the Usual and Accustomed fish and shellfish areas has treaty and Governmental obligations and responsibilities to manage natural resources for uses beneficial to the regional community. Despite our diligent program efforts, the fisheries resource is degrading and economic losses are incurred by Indian and Non-Indian fisherman, and surrounding communities. Our Resource Management responsibilities cover thousands of square miles in the Puget Sound region of the State of Washington with an obligation to manage production of anadromous, non-anadromous fish and shellfish resources. Existing levels of support are inadequate to reverse the trend of resource/habitat degradation. Resource management is constrained due to funding shortfalls. We seek support and endorsement in the following areas:

—Tribal Fisheries Resource Management, Hatchery Operation and Maintenance funding via Public Law 93–638 contracts have not increased substantially since establishment of base budgets in 1984. The demand on Puyallup Tribal Fisheries Program has grown exponential since the eighties and is currently faced by Endangered Species Act listings on Bull Trout and Chinook Salmon which is in an highly urbanized setting more so than any other Pacific Northwest Tribe. We request Committee support to increase base contract funding in the amount of $150,000.00 for additional fisheries staff.

—Western Washington Timber-Fish-Wildlife Program—The TFW Program has allowed for the expansion of tribal participation in the state forest practice rules and regulations that have an affect on listed salmon populations. In fiscal year 2003 Congress restored TFW base funding for the Bureau of Indian Affairs. However, this base funding increase is being proposed to be discontinued in the

fiscal year 2004 budget. Continued funding in this area is essential to facilitate tribal participation in monitoring, research, data analysis and adaptive management processes that are a cornerstone to the TFW process. We request Committee support for base funding level of $3,555,000 to the TFW fiscal year 2004 budget.

Tribal Priority Allocation & Contract Support Costs.—The President's fiscal year 2004 budget calls for $2.3 billion to be allocated to the Bureau of Indian Affairs, which is an increase of $65,900,000 over the fiscal year 2003 enacted level. This request includes $777,000,000 for Tribal Priority Allocations (TPA), a $2,100,000 increase over the fiscal year 2003 enacted level. Although the increases are a positive commitment by the Administration, they still fall short of providing adequate funding for critically needed tribal programs supported by TPA funding. TPA budget activity includes the majority of funding used to support on-going services at the "local tribal" level, including; law enforcement, natural resources management (fisheries), child welfare, housing, tribal courts and other tribal governmental services. TPA has not received adequate funding to allow tribes the resources to fully exercise self-determination and self-governance. Further, the small increases TPA has received over the past few years has not been adequate to keep pace with inflation. At a minimum, we request your support and endorsement in the following;

—Support by Congress of the President's fiscal year 2004 request for TPA increase of $2,100,000, for a total request of $777,000,000 for fiscal year 2004 TPA funding

Another concern the Puyallup Tribe has with the fiscal year 2004 budget request is the on-going issue of contract support costs. The President's fiscal year 2004 budget request includes $135,300,000 to address the Bureau of Indian Affairs continuing contract support costs and $0 for the Indian Self-Determination Fund to address the needs of tribes taking on new Bureau of Indian Affairs programs. At a minimum, we request your support and endorsement in the following;

—Support by Congress of the President's fiscal year 2004 request for an increase in contract support cost funding of $135,300,000, and include a $3,000,000 request for the Indian Self-Determination Fund for new Bureau of Indian Affairs programs contracted by tribes. Full funding of Contract Support is a mandate towards the full realization of Self-determination and Self-governance.

DHHS Indian Health Service.—Funding for the Indian Health Service fails to meet the needs of health services for Native Americans. The Puyallup Tribe has been operating their health care programs since 1976 through the Indian Self-determination Act, Public Law 93–638. The Puyallup Tribal Health Authority (PTHA) is a successful ambulatory program that provides comprehensive ambulatory medical dental, mental health, drug and alcohol treatment services to an expanding population in Tacoma and Pierce County, Washington. In fiscal year 2002 it was the most productive Indian health program in the tri-state areas of Washington, Oregon and Idaho.

Adequate funding for the continued operations and delivery of quality care is essential. PTHA, like most IHS facilities, is being asked to do more with less. The cost of supplies and staff increases as does the eligible population increases, yet funding has not kept pace. IHS has lost $1.9 Billion in purchasing power since 1992. Unlike private practice counterparts, we can not raise fees, negotiate higher reimbursement from insurance companies or restrict the population we serve. Preserving purchasing power and ensuring that medical needs are met must be paramount to IHS and HHS.

Highlights of the IHS Budget request include an increase of $73 million or a 2.5 percent increase. The Budget Request also factors in approximately $31 million in cost savings from administrative reductions. The fiscal year 2004 Budget Request for the IHS continues to fall short of the $250 million to just maintain current services. The Puyallup Tribe will submit detailed written testimony to Congress on the fiscal year 2004 IHS Budget.

We request congressional support for the fiscal year 2004 IHS budget in the following areas:

—Fund medical and general inflation costs, which have again reached double digits;

—Fund the increased expenses due to population growth. Although AI/NApopulation has a 2.1 percent growth rate, growth has not been funded for 11 years;

—Index Contract Care to population growth and the medical inflation rate. Contract care is most vulnerable to inflation since services are provided by vendors constrained by IHS guidelines. There are no IHS hospitals in the Pacific Northwest which makes our clinic dependent on Contract Care for necessary specialty referrals and hospital care.

PREPARED STATEMENT OF THE SAUK-SUIATTLE INDIAN TRIBE

The Sauk-Suiattle Indian Tribe (Tribe) of Washington State has 200 members. We see ourselves as a small and disadvantaged tribe. The Tribes remote location at the foot of the Cascade Range coupled with its small size places it in a position where it is unable to compete with larger and more affluent tribes for scarce federal resources. Sauk-Suiattle does not operate a casino and because of its location will never have that opportunity. In the 1940's and 1950's, Senators Jackson and Magnuson worked unsuccessfully to ensure the Sauk-Suiattle Indian Tribe a reservation land base within its homeland. Following the Land Allotment era in the United States there were still millions of unclaimed acres within the Tribes' traditional areas in Washington State. These lands were eventually transferred to other federal agencies and to Washington State; Sauk-Suiattle was left out and remained landless until 1980. In 1980 the Tribe purchased 23 acres of land with grant funding to provide essential housing for Tribal members. As a small Tribe, our needs are magnified, and competition for resources is fierce. All Tribal operational costs are funded under grants and contracts, which provide less than 70 percent of need. The Tribe requests $10.276 Million from the Department of the Interior and Related Agencies' appropriations for fiscal year 2004 to support the following priorities:

1. +$100,000 for Homeland Security to protect our Tribal communities.
2. +$250,000 to Tribal Budget Base for Aid to Tribal Government operations, in the Bureau of Indian Affairs Tribal Priority Allocation line item including 100 percent Contract Support Costs.
3. +$100,000 to Education in the BIA Education Program Account.
4. +$450,000 to study the Mountain Goat herds depletion in the Northern Cascades including a 3 year study on the causes and action needed to correct the decline.
5. +$200,000 to BIA Law Enforcement, for additional program operations, salary increases, equipment, training, and jail contract funds. To be added to the BIA TPA, Public Safety and Justice, Law Enforcement Tribal Agency Account.
6. +$100,000 to restore and enhance the Sauk-Suiattle cemetery damaged by the United States Navy training in 1997.
7. +$1.301 million. For the Northwest Intertribal Court System to provide court related services to nine tribes and for a regional appellate court system.

Other requests.—+$100,000 to conduct a Comprehensive Needs Assessment of the Sauk-Suiattle membership. This is requested as a one-time non-recurring cost to TPA, BIA. +$350,000 for Cultural Research funding for anthropological and archaeological studies specific to Sauk-Suiattle Indian Tribe. No research studies, published or unpublished, exist on the Sauk-Suiattle. This is needed to preserve Tribal history, cultural preservation, documentation and protection of historical and sacred sites, identification of burial grounds, and to restore language. +$575,000 to develop economic enterprises for the Tribe with funding to be added to BIA Tribal Government Account; +$100,000 to Tribal Base for Indian Child Welfare for additional staff, program enhancements, program resources, and the development of a much needed short term emergency placement home for foster children, added in the BIA, TPA for Human Services, ICWA Account. +$50,000 to Tribal Housing Base Budget for HIP and administrative management. +$100,000 to finally establish title, responsibility and ownership of tribal allotments, Tenas Creek Cemetery, and Suiattle Cemetery; and, then to place those allotments that are Tribal property under Tribal management through Public Law 93–638. The multiple jurisdiction and joint responsibilities that currently exists between the Sauk-Suiattle Tribe, the U.S. Forest Service and the BIA, need to be clarified. (Mitigating settlement has not yet been achieved from damages caused by the US Navy's use of the Suiattle Cemetery for training maneuvers in 1997). +$5.5 Mil for planning and acquisition of lands and the construction of homes and to protect the Sauk-Suiattle Indian Tribes' Natural Resources, Gathering, Hunting and Fishing Areas. To maintain access to all Rights without infringements.

PRIORITY REQUESTS-NARRATIVE

1. *Homeland Security*.—Tribes are not funded to provide essential homeland security measures, including protection of drinking water sources, public safety, and emergency planning. Current funding is allocated to the Centers for Disease Control and Prevention, and the Department of Defense, with no allocation to Tribal governments. We request $100,000 new funding for this initiative.

2. *Increase in Core Tribal Government Infrastructure*.—Sauk-Suiattle currently receives a paltry $160,000 in recurring funding to conduct all aspects of Tribal government, including the Legislative Body, Natural Resources, Tribal Court and all Social Services and Education programs. The Tribe requests an additional $250,000 appro-

priation increase above the $160,000 allocated to the Sauk-Suiattle Indian Tribe through the BIA Tribal Priority Allocations, Tribal Government, Other Aid to Tribal Government Budget Base. To strengthen its position to maintain a stable government, these additional funds would employ or purchase legal assistance, a grant & contracts manager, and a business planner & developer, to assist in the protection of the Tribes' natural resources, increase Tribal court capacity beyond the current four (4) hours per month, and employ staff support for Tribal governmental activities. This includes the replacement of federal excess property, government office equipment and furnishings that the Tribe has been using since the 1970's. The Tribe is requesting funding of the Contract Support Costs at 100 percent.

3. *Education*.—The Tribes' current funding from the BIA includes less than $4,000 for higher education. This funding is totally inadequate and provides for very little educational assistance to the Tribal members. The Tribe requests that BIA Education funding be increased by $100,000 to provide educational opportunities to our Sauk-Suiattle Tribal members, so that we do not leave anyone behind.

4. *Mountain Goat Herd Study*.—For the restoration of the mountain goat herds which have been depleted in the Northern Cascades. The mountain goat is integral to the cultural heritage of the Tribe. It is a Tribal resource providing for the unique mountain heritage of the Tribes' culture. It is a source for food, cultural and ceremonial objects, and the origin of our cultural belief system. The last hunt by Tribal members was 7 years ago due to the scarcity of the mountain goat stock. The $450,000 requested would provide funds to conduct a three-year study of the goats in the Northern Cascades range, and to develop preservation and protection plans of this tribal resource.

5. *BIA Law Enforcement*.—The Tribe continues to have inadequate law enforcement funding, especially in respect to Homeland Security issues. The Tribe needs to keep pace with current events and technology within its law enforcement department and is requesting $200,000 funding to ensure access to 911 across the nation, a minimum of one full-time law enforcement officer on per shift, twenty-four hours each day. Currently the Tribe has two forty-hour a week officers under its BIA contract. The Police Department requests additional funding for officer's salaries after the 3-year grant funding expires. This should include funding for all Indirect Costs to the Tribe. We just recently separated some functions from a joint organization and we request funding for a complete Fisheries Enforcement program.

6. *Suiattle Cemetery Reparation*.—In 1997 the Navy destroyed the Sauk-Suiattle Indian Tribes' cemetery. At issue here is the destruction of the headstone grave markers, foliage, and sentiments that were damaged during the training maneuvers. The grave markers were displaced and proper location cannot be reestablished. The title ownership and responsibility of this cemetery must finally be resolved.

7. *Northwest Intertribal Court System*.—The "Circuit Court " System provides judicial, prosecutorial services to nine member tribes judicial process. The System operated on $597,584 last year with an unmet need of $1,300,997. Tribal courts are essential for tribal sovereignty & providing due process to individuals within tribal jurisdiction.

OTHER REQUESTS

a. *Needs Assessment*.—For a Comprehensive Needs Assessment of the Tribal community population to determine social, economic, education, housing, environmental, and cultural preservation needs. The Assessment will provide information for short and long term Tribal planning to enhance the delivery of coordinated services to Tribal community members. This request of $100,000 is for a one-time, non-recurring cost.

b. *Cultural Research*.—$350,000 is requested to conduct formal archaeological studies on identified sites, including the recording of tribal history and culture through an anthropological study, a recording of our unique language, and restoration of the language. No formal studies exist on the Sauk-Suiattle Indian Tribe. Knowledge about a Tribes' past is necessary to better understand the scale of progress, or lack thereof. And, in the case of the Sauk-Suiattle people we have defied the odds of extinction by surviving and retaining our traditional and cultural ways.

c. *Land Acquisition*.—The Sauk-Suiattle Tribe has 200 members, 20 houses on the reservation, one community building, and no vacant sustainable land to develop a Tribal economy. The Tribal unemployment rate is more than 65 percent. Over 80 percent of our employed tribal members make less than $7,000 a year. The Tribe would provide employment, generate Tribal revenue, decrease dependency on federal funds, and enable our members to return to their ancestral homelands with the increased land base. The Tribe is looking to protect their natural resources, hunting,

fishing and gathering rights. We request a special appropriation of $5.5 million for the Tribe to purchase land.

d. *Increase Economic Development Enterprise*.—The Sauk-Suiattle Indian Tribe is focused on developing economic self-sufficiency. Since these efforts require dedicated time to expedite results, the Tribe requires a stable economic incubation period of three years for funding in order to: (1) Hire a business manager/planner to focus on the effort, (2) Develop business plans, (3) Developing business codes, and (4) Initiate a viable financial enterprise(s). The Tribe has calculated a three-year cost of $575,000 for this project.

e. *Increase in BIA Indian Child Welfare*.—Requests that $100,000 in appropriations be added to the Tribes' base budget of $50,000 through the BIA Tribal Priority Allocations, Human Services, Indian Child Welfare Act account for ICW program development or enhancements. The increased funds will go towards: (1) A proposed Emergency-Crisis Placement Home, (2) To develop a training program for the non-Native foster families serving the Tribe to better understand the Tribes' culture; and (3) Develop a Family Reunification program that will provide resources and training for families ready to reassume their roles as parents or are at risk of losing their families. Of our 200 tribal members, 80 are under the age of eighteen.

f. *Housing*.—Addition to the Housing Improvement Program (HIP) to repair and improve current houses of the Tribal members. Plus, provide for administrative costs to manage the housing program. The $50,000 requested would provide the funds to cover these costs.

g. *Allotments*.—There are several thousand acres of unresolved Tribal allotments that should be factored into study. These lands (5,000+ acres) were allotted to Tribal members and then taken without compensation in 1897 when the Mt. Baker-Snoqualmie National Forest was created. Tribal cemeteries are located within the area of the allotted lands. The cemetery sites are sacred sites and need protection. We need documents from the U.S. Forest Service that indicate that the United States Government is holding these sites in trust for the Sauk-Suiattle Indian Tribe. This proposal is to initiate the Public Law 93–638 management of these sites by the Tribe under the BIA trust status. This will address and clarify the issue of ownership.

Regional American Indian Appropriations Priorities.—The Sauk-Suiattle Indian Tribe supports the following regional requests from the following Indian consortiums and organizations: Skagit System Cooperative, Northwest Portland Area Indian Health Board, Northwest Indian Fisheries Commission, Western Washington Indian Employment and Training Programs, Affiliated Tribes of Northwest Indians, and the Small Tribes of Western Washington organization. Plus, the U.S. Forest Service funding request to protect, study and manage Mountain Goat habitat.

National American Indian Appropriations Priorities.—We urge that funding for tribes, their programs and their developments be given the highest priority.

We urge your consideration of our request and appreciate the consideration.

PREPARED STATEMENT OF THE SEMINOLE TRIBE OF FLORIDA

The Seminole Tribe of Florida is pleased to submit this statement regarding the Tribe's fiscal year 2004 request for funding from programs in the Department of the Interior (DOI). The Tribe requests that Congress:

—Continue to provide $396,000 to the Bureau of Indian Affairs for water quality and quantity studies by the Seminole Tribe of Florida and the Miccosukee Tribe of Indians, to be equally divided between the Tribes; and

—Provide $864,000 to the Bureau of Indian Affairs, Water Management Planning and Pre-Development account for the Seminole Tribe for water quality studies and other ecosystem restoration studies, as a part of the Seminole Tribe's Everglades restoration efforts.

The Tribe's Everglades Restoration Initiative is a comprehensive water conservation system designed to improve the water quality and natural hydropatterns in the Big Cypress Basin. The Initiative, as implemented on the Big Cypress Reservation, is designed to mitigate the degradation the ecosystem has suffered through decades of flood control projects and urban and agricultural use. It will also provide an important public benefit: a new system to convey excess water from the western basins to the Big Cypress National Preserve, where water is vitally needed for rehydration and restoration of lands within the Preserve. This Initiative will contribute to the overall success of the Comprehensive Everglades Restoration Plan (CERP) as authorized by the Water Resources Development Act of 2000 (WRDA 2000).

Department of Interior funding has helped the Tribe develop restoration programs and projects and ultimately define its role in the overall South Florida Ecosystem

effort. The Seminole Tribe continues to make significant contributions to the restoration effort and looks forward to a continued partnership with DOI toward achieving our common goals.

The Seminole Tribe reviewed many federal programs in search of funding opportunities for the design, engineering, and construction of the projects that compose the Everglades Restoration Initiative. U.S. Army Corps of Engineers (COE) and the USDA Natural Resources Conservation Service (NRCS) programs have been identified as appropriate matches for the Tribe's Everglades Restoration Initiative. The Tribe and the Corps initiated an agreement for design and construction of the western portion of the Big Cypress Reservation, along with a canal that transverses the Reservation, as a Critical Project under the authority of the Water Resources Development Act of 1999. Initial construction activities on this project are nearly complete and the detailed planning activity for the balance of the project. The NRCS has identified a number of Farm Bill programs and the Small Watersheds Program as suitable for funding the design, planning, and construction of the project on the eastern portion of the Reservation.

The funds provided by the DOI have made it possible for the Tribe to initiate the research necessary to allow the Corps and NRCS to complete final project designs. The Tribe continues to spend Tribal funds to advance the research and design and is prepared to provide the required cost share payments as required by the different federal programs. In addition, the results of studies the Tribe helps pay for with both the Critical Ecosystem Study Initiative (CESI) funds from NPS and the BIA funds will be applicable to other CERP projects.

FUNDING HISTORY

The DOI, through the Bureau of Indian Affairs (BIA), has provided the Seminole Tribe with $199,500 in each of the fiscal years 1994 through 2002, half of the $399,000 line item. In fiscal year 2003, $396,000 was appropriated. The Tribe has used this BIA funding to complete studies and water quality and quantity monitoring that has proven critical to the Tribe's leading role in Everglades restoration.

Through the NPS's CESI program, Interior provided the Tribe with $390,000 in fiscal year 1997, $920,000 in fiscal year 1998, $684,125 in fiscal year 1999, $230,000 in fiscal year 2000, and $220,000 in fiscal year 2001. The Tribe did not receive any fiscal year 2002 CESI funds. The Seminole Tribe uses CESI funds to monitor and analyze the quality and quantity of water coming onto and leaving the Reservation and to conduct scientific studies to determine nutrient impacts. For example, the Tribe studied the assimilative capacity of the C&SF canals for nutrients, phosphorus in particular. The results of such monitoring and studies will be available to others studying ecosystem degradation and developing plans to arrest the harm.

DETAIL ON FISCAL YEAR 2004 FUNDING REQUEST

Continued funding at an increased level is necessary for the Tribe to complete a number of studies that will support the design, construction, and operation of the Big Cypress water conservation project. Funding through the BIA budget is also necessary because the source of supplemental funding in prior fiscal years (the NPS CESI account) has become so low as to not support the studies originally funded with the CESI funds.

Specific studies that would be supported through the increased level of BIA funding include the following:

—Forested Wetland Nutrient Uptake Research designed to address how to restore and maintain wetland communities of plants and animals weakened by the adverse impact of poor water quality and desiccation by re-establishing natural hydrology and water quality;

—Seminole Tribe Data Collection and Monitoring designed to access ecosystem damage and explore methods to restore and enhance natural habitats; and

—Early Detection and Management of the Invasion of the Big Cypress Reservation by the Exotic Climbing Fern designed to prevent this invasive species from negating the restoration and preservation of native wetland communities.

Most of this research is likely to be applicable to most areas of the Big Cypress Basin where similar forested wetland bio-regions exist.

CONCLUSION

The Tribe understands that the President's government-wide management plan issued in August 2001 directed the Energy Department to align its applied-research projects to performance goals. We also understand that, eventually, the results of the Energy Department's efforts will be used as a model for examining the effectiveness of research and development programs throughout the government. The Tribe's

research projects for which this testimony requests funding support the performance goals of the ecosystem restoration projects the Tribe is building with other federal agencies. Further, the results of the applied research for which the Tribe seeks funding will enhance the effectiveness of the physical projects.

Improving the water quality of the basins feeding into the Big Cypress National Preserve and the Everglades National Park is vital to restoring the Everglades for future generations. By granting this appropriation request, the federal government will be taking a substantive step towards improving the quality of the surface water that flows over the Big Cypress Reservation and on into the delicate Everglades ecosystem. Such responsible action with regard to the Big Cypress Reservation, which is federal land held in trust for the Tribe, will send a clear message that the federal government is committed to Everglades restoration, and the Tribe's role in this historic ecosystem restoration effort.

The Seminole Tribe is working hard to realize the environmental benefits the Reservation and the surrounding ecosystem need. The Tribe is making substantial commitments, including the dedication of over 9,000 acres of land for water management improvements. However, as the Tribe moves forward with its contribution to the restoration of the South Florida ecosystem, a substantially higher level of federal financial assistance is needed as well.

The Tribe has demonstrated its economic commitment to the Everglades Restoration effort; the Tribe is asking the federal government to also participate in that effort. This effort benefits not just the Seminole Tribe, but all Floridians dependent on a reliable supply of clean, fresh water flowing out of the Everglades, and all Americans whose lives are enriched by this unique national treasure.

Thank you for the opportunity to present the request of the Seminole Tribe of Florida. The Tribe will provide additional information upon request.

PREPARED STATEMENT OF THE SOUTHWEST TRIBAL FISHERIES COMMISSION

APPROPRIATIONS REQUEST

The Southwest Tribal Fisheries Commission (SWTFC) respectfully requests a Congressional appropriation of $150,000.00 for fiscal year 2004. The funds will be used toward achieving the goals of the SWTFC: (1) support the professional development and sustainable funding of Tribal fisheries resource management and conservation capabilities, (2) restore and expand Southwest (SW) tribal recreational fishing programs to promote economic development and conservation capacity building on tribal lands by providing enhanced outdoor recreation opportunities, and (3) build meaningful, well-coordinated partnerships with tribal, state, federal and local interests on issues of common concern that generate regional benefits.

BACKGROUND OF SWTFC

The SWTFC is a non-profit organization formed in September 2002 (using a $91,000.00 base-funding contract through the Bureau of Indian Affairs) to assist Indian Tribes in the southwestern United States to develop and organize a more comprehensive and collaborative approach to securing the futures of their respective fisheries management programs, and to generally support tribal capacity building. The SWTFC purpose is to mobilize Tribes to work in a more coordinated and strategic fashion to secure underlying recreational fishing programs and to advance meaningful resource management projects/initiatives that strike a sustainable balance between economic development and resource conservation on tribal lands.

The Southwestern Tribes served by the SWTFC (presently, those Tribes and Pueblos within the states of Arizona, New Mexico, Colorado, Utah, Nevada and Southern California) hold significant lands and natural resources, and have become important contributors to the development of regional recreation economies and resource conservation efforts. Many of these tribes have developed and relied heavily upon economies that are natural resource and recreation based, with recreational fishing programs evolving into important components of tribal social fabric and economic viability. Furthermore, with tribes being ineligible for long established Federal-Aid conservation funding programs such as Pittman-Robertson, Dingell-Johnson, and Wallup/Breaux, tribal recreational programs provide critical revenue sources that enable many Tribes to fund important conservation work on their lands. In addition to providing high quality regional recreational fishing opportunities, SW tribal resources/programs also play significant roles in regional conservation efforts, with a number of Tribes having been at the forefront in the development of successful native-fish conservation and recovery programs for species such as the Apache trout, Colorado River Cutthroat trout, Rio Grande Cutthroat trout,

Gila topminnow, Gila chub, Bonytail chub, Razorback sucker and Silvery minnow, to name a few.

In developing these core enterprises and conservation programs over many decades, SW Indian Tribes have worked closely with the U.S. Fish & Wildlife Service (USFWS) and have become completely reliant upon the network of National Fish Hatcheries (NFH) located on Indian lands to support their fisheries programs. A steady shift of USFWS policy and budget priorities through recent decades has led to a gradual deterioration of tribal recreational fishing programs and the fish hatchery facilities upon which these programs depend. The recent (2000) closure of the Mescalero NFH on the Mescalero Apache Reservation (NM), together with increasing unmet demands for both sport and native fish management resources on Indian lands throughout the southwest provide clear evidence of this decline. These trends and challenges have mobilized Tribes to organize their efforts in a more strategic and results-oriented fashion, through the SWTFC, with state, federal and local partners to preserve the integrity/viability of their recreation and conservation programs.

The SWTFC seeks to develop and foster these working relationships, while further serving as a "capacity-building" resource to Tribes in helping them to plan and develop projects and programs that, through time, strike a sustainable balance between recreation/resource-based economic development and scientifically sound conservation. In pursuing this "capacity-building" objective, the SWTFC will seek to secure the economic/financial underpinnings of Tribal fisheries programs while jointly cooperating, as appropriate, with federal, state, tribal and local partners to enhance professional management capabilities on tribal lands.

The SWTFC will further serve as a regional "conduit" among its member-tribes and state, federal and local partners to encourage the development of cooperative inter-agency conservation efforts using a "landscape" approach to maximize benefits. The SWTFC intends to establish professional steering Committees, comprised of regional tribal/non-tribal experts, to formulate management standards and protocols that assist Tribes in developing sustainable programs and otherwise guide ongoing research and administrative actions. Non-tribal partners, like the USFWS, will benefit from the approach of having the SWTFC providing a vehicle to improve coordination with tribal governments on a regional basis, which will, in turn, result in more efficient and effective allocation of outside agency resources on programs of mutual concern.

The SWTFC is currently complimenting and leverage existing USFWS technical assistance programs. With the help of USFWS, the SWTFC is assessing recreational/native fish management needs and contributions of SW Tribes. In addition, the SWTFC expects to assist with resource and business planning, identifying and developing feasible fish hatchery/rearing capabilities (including those for native-fish), and establishing a regional/watershed approach to developing and executing more effective regional conservation efforts.

ORGANIZATION, MANAGEMENT & BUDGET OF THE SWTFC

The SWTFC is comprised of member Tribes who have designated tribal representatives to the Commission. SWTFC is governed by Officers, all experienced in tribal resource conservation and/or business management, who are duly elected from member-tribe representatives. Officers and management of the SWTFC will be supported by key representatives from regional partner agencies or interests to conduct appropriate program/project reviews and otherwise provide management recommendations to the Board.

SWTFC operations are managed by an Executive Director who is experienced in both business and conservation management (B.S. Wildlife Ecology and M.B.A.), is a former Director of a prominent southwestern tribal fish & wildlife organization (White Mountain Apache Tribe, AZ), and has extensive hands-on experience managing tribal programs and working with various government agencies and private interests. At its inception, the SWTFC will also employ a full-time Administrative Assistant and a Biologist/Project Manager. The complete operating budget for the SWTFC (salaries, office, project support, travel, supplies, etc.) is projected to be $250,000.00.

CONCLUSION

The SWTFC and the Mescalero Apache Tribe are taking the lead in rehabilitating the fish hatchery to transform it into a viable tribal economic enterprise in the Southwest. Again, the SWTFC and Mescalero respectfully request your support. Thank you for the opportunity to submit written testimony before the Committee. If you have any questions, please contact our Washington, DC counsel Shenan

Atcitty at 202–457–7128 or John Cooley, SWTFC Executive Director, can be reached at 928–368–5492.

PREPARED STATEMENT OF THE SQUAXIN ISLAND TRIBE

Thank you, distinguished Members of this Subcommittee, for accepting written testimony from the Squaxin Island Tribe on the fiscal year 2004 Budgets for the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS).

The Squaxin Island Tribe, a signatory of the 1854 Medicine Creek Treaty, has a 2002 year-end enrollment of 736 and an on-reservation population of 400 living in 103 homes (18 new homes will be occupied in 2003). Squaxin has an estimated service area population of 2,747, a growth rate of about 10 percent, and an unemployment rate of about 30 percent, according to the BIA Labor Force Report. According to the Mason County Economic Development Council, Squaxin is the fourth largest employer in Mason County.

The BIA and IHS are preparing to re-organize. We are concerned that this will come at the expense of diminishing tribal programs and the delivery of tribal services. Therefore, we ask that the Subcommittee include language directing both the BIA and IHS not to reduce funds appropriated by this Subcommittee to offset Departmental or agency shortfalls, to support reorganization plans, or trust reform initiatives without consulting with Tribal Leadership. This language should be included in future appropriations bills for these agencies.

TRIBAL SPECIFIC REQUESTS

—$5.42 million for Tribal Infrastructure Improvements
—$250,000 to support the design and construction of new fire station
—$940,000 for Public Safety and Justice Department

REGIONAL REQUESTS

Support all requests and recommendations of the Affiliated Tribes of Northwest Indians, Northwest Portland Area Indian Health Board, and the Northwest Indian Fisheries Commission.

SELF-GOVERNANCE AND NATIONAL REQUESTS

1. Provide a minimum of $25,000,000 in BIA Tribal Priority Allocation (TPA) General Increase for inflationary adjustment;
2. Provide $5 million increase for BIA and $98 million for IHS to fully fund Contract Support Cost (CSC);
3. Provide $4.5 million increase to the Indian Health Service (IHS) Office of Tribal Self-Governance;
4. Provide $360 million for IHS mandatory, inflation and population growth increase to maintain existing health care services; and,
5. Support all requests and recommendations of the National Congress of American Indians and National Indian Health Board.

INFRASTRUCTURE IMPROVEMENTS—$5.42 MILLION

ESTIMATED COSTS OF SQUAXIN ISLAND TRIBE'S INFRASTRUCTURE IMPROVEMENTS

Improvement	Cost
Replacement of potable water infrastructure lost to road realignment	$773,000
Additional potable water storage—housing and government area	784,000
Additional potable water distribution lines for new housing	396,000
Enhance potable water system-economic development zone	761,720
New wastewater treatment plant-economic development zone	2,004,000
Wastewater collection system-economic development zone	700,000
Total Infrastructure Project Estimated Costs	5,418,720

The City of Mason County, Washington is reconstructing the access road to the Squaxin Island Tribe's main housing areas. A critical water supply main and water pumping station is in this right-of way and must be replaced due to the road realignment. Funding must be secured for this portion of the overall infrastructure improvement project by January 2004.

REGIONAL PLAN

The Tribe is working with the Indian Health Service and a private engineering firm to complete a regional infrastructure plan. We are partnering with local agencies and surrounding landowners to ensure that the plan supports both the Tribe's and its neighbors' current and future needs.

WASTEWATER

The topography of the Tribe's land base dictates two separate wastewater collection and treatment systems—one serving the housing and government area and one serving the economic development zone. We have just completed a new wastewater treatment plant that supports the housing and government area. Using funds from USDA, IHS, and NAHASDA, the new plant, a Sequencing Batch Reactor, has the capacity to handle forecasted demand for the next twenty years. The economic zone, however, needs a new treatment facility to support both immediate and long-term growth.

DRINKING WATER

The overall scarcity of safe drinking water points toward combining the Tribe's three separate water systems. Three existing wells in the housing and government area continue to produce only marginal quantities of water. Research indicates that we will have to depend on water from the economic zone for most of our future needs. The preliminary plan calls for connecting all of the Tribe's existing wells and up to three new wells.

FIRE PROTECTION DISTRICT 4—$250,000

The Squaxin Island Tribe, in a joint effort with Mason County Fire Protection District 4, is developing a $1.0 million multi-bay manned facility to be located in the Kamilche area (about five miles South of Shelton, Washington in the 35th Legislative District and 6th Congressional District) to provide citizens with improved fire protection and emergency medical services. This current station serves a rural area of 52 square miles, approximate 6,700 residents and 2,500 homes and farm homes. The new fire station will have quarters for up to six resident firefighters, training facilities for 100 students, room for four emergency vehicles, and administrative offices. It could eventually become the headquarters for Fire District 4.

Fire District 4 has committed to contribute $250,000 cash toward construction costs, as well as waive the fire protection fees, that were previously paid by the Tribe, for the next 25 years.

The Tribe has committed to contribute $750,000 in cash ($500,000 Tribal funds are available) toward the design and construction of the new fire station, to contribute the land for the new facility, and to contribute $40,000 a year to Fire District 4 for operating costs.

We are seeking $250,000 in appropriations to complete the funding for this project.

PUBLIC SAFETY AND JUSTICE REQUEST—$940,000

The Squaxin Island Tribal Public Safety and Justice Department is dedicated to protecting lives, maintaining peace and ensuring that the property and resources of the Squaxin Island Tribe are protected through the enforcement of the Laws and Regulations set forth by the Squaxin Island Tribal Council. Over the past few years, the number of caseloads and calls have continued to increase placing a higher demand on the level of services needed in order to provide a program suitable to the needs of the growing community.

The Squaxin Island Tribe is seeking $939,159 in additional funds to address the critical need to improve the services of the Squaxin Island Public Safety and Justice Department. The Squaxin Island Tribe is located in Kamilche, Washington in SE Mason County. The Squaxin Island Public Safety and Justice Department has continued to operate on funding levels insufficient to meet the needs of the department and community. This has resulted in operating a program at minimum capacity which has placed a negative impact on the service level provided to the Squaxin Island Community. Over the next few years the Tribe will be enhancing the shellfish habitat and production programs which will increase the demand on the water enforcement program to address issues of illegal harvesting. It is vitally important to ensure that natural resources are protected.

The Department is in need of two (2) additional FTE officers for 24-hour coverage in order to ensure the safety of the community is being met. The process of protecting the public is hampered by lack of officers to provide the 24-hour coverage,

which is very critical in life and death situations. Additional funds are also needed for the Justice program to fund a Public Defender whom the Tribe contracts with to provide legal representation to the community members. The Public Defender funding level is inadequate to meet the increasing need of the Squaxin Island Community. The graph below demonstrates the increasing caseload over the past few years. Also listed below is a budget which lists the additional funds that the Tribe needs to effectively meet the increasing service level demand.

The Public Safety enhancements will benefit the Squaxin Island Tribe by providing the Department with sufficient funds to operate a full-fledged program providing the 24-hour coverage needed to ensure that the community, property and resources are being protected effectively.

The Squaxin Island Tribe envisions a culturally and economically strong community of self-governing, resilient people, united by shared values and traditions—by protecting life and maintaining the peace, protecting tribal property and resources, serving in a reasonable and prudent manner, and carrying out these responsibilities diligently, courteously, and with pride.

PREPARED STATEMENT OF THE UNITED TRIBES TECHNICAL COLLEGE

For thirty four years, United Tribes Technical College (UTTC) has been providing postsecondary vocational education, job training and family services to Indian students from throughout the nation. We have received funding through the Bureau of Indian Affairs every year since 1981, and were shocked at the Administration's request of zero funding for UTTC in the fiscal year 2004 Department of Interior Budget.

The request by the United Tribes Technical College Board for the fiscal year 2004 Bureau of Indian Affairs budget is:

—$4 million in BIA funds for UTTC, which is $1 million over the fiscal year 2003 enacted level minus a .65 percent cut.

—$4 million in BIA funds for phase one of student housing construction, a need identified in the 2000 Department of Education study.

—Requirement that the BIA place more emphasis on funding and administrative support for job training and vocational/technical education. The Adult Vocational Training program, funded at $9 million in fiscal year 2003 is but a shadow of its former self. There is no BIA leadership or advocacy for job training or vocational/technical education at the central or area levels.

United Tribes Technical College: Unique Inter-tribal Educational Organization.—Incorporated in 1969, United Tribes Technical College is the only inter-tribally controlled campus-based, postsecondary vocational institution for Indian people. UTTC is chartered by the five tribes in North Dakota and operate under an Indian Self-Determination and Education Assistance Act contract with the BIA. This year UTTC enrolled 645 students from 44 tribes and 17 states. The majority of our students are from the Great Plains states, an area that, according to the 1999 BIA Labor Force Report, has an Indian reservation jobless rate of 71 percent. UTTC is proud that we have an annual placement rate (placement in jobs or in higher education) of 90 percent. We hope to enroll 2000 adult students by 2008.

In addition, we serve 147 children in our pre-school programs and 148 children in our Theodore Jamerson Elementary school, bringing the population for whom we provide direct services to 940.

UTTC Course Offerings and Partnerships with Other Educational Institutions.—UTTC offers 14 vocational/technical programs and awards a total of 24 two-year degree and one-year certificates. The North Central Association of Colleges and Schools is the accrediting body for UTTC. UTTC was accredited again in 2001 for the longest period of time allowable—ten years or until 2011—and with no stipulations.

We are very excited about the recent additions to our course offerings, and the particular relevance they hold for Indian communities. These new programs are:

—Injury Prevention

—On-Line Education

—Nutrition and Food Services

—Tribal Government Management

—Tourism

—*Injury Prevention.*—Through our Injury Prevention Program we are addressing the injury death rate among Indians, which is 2.8 times that of the total U.S. population We received assistance through Indian Health Service to establish the only degree granting Injury Prevention program in the nation. Injuries are the number one cause of mortality among Native people for ages 1–44 and the third for overall

death rates. IHS spends more than $150 million annually for the treatment of non-fatal injuries and treatment of injuries is the largest expenditure of IHS contract health funds. (IHS fiscal year 2004 Budget Justification).

—*On-Line Education*.—We are bridging the "digital divide" by providing web-based education and Interactive Video Network courses from our North Dakota campus to American Indians residing at other remote sites, including the Denver Indian community, and plan to serve rural-based Indian Tribes. Training is currently provided in the areas of Early Childhood Education and Computer Literacy. By the year 2005, students will be able to access full degree programs in Computer Technology, Injury Prevention, Health Information Technology, Early Childhood Education, and Office Technology, and others from these remote sites.

High Demand exists for computer technicians. In the first year of implementation, the Computer Support Technician program is at maximum student capacity. In order to keep up with student demand, UTTC will need more classroom space, computers and associated equipment and instructors. Our program includes all of the Microsoft Systems certifications that translate into higher income earning potential for graduates.

—*Nutrition and Food Services*.—UTTC will meet the challenge of fighting diabetes in Indian Country through education. As this Subcommittee knows, the rate of diabetes is very high in Indian Country, with some tribal areas experiencing the highest incidence of diabetes in the world. About half of Indian adults have diabetes (Diabetes in American Indians and Alaska Natives, NIH Publication 99–4567, October, 1999)

The College currently offers a Nutrition and Food Services Associate of Applied Science degree to increase the number of American Indians with expertise in human nutrition and dietetics. Currently, there are only a handful of Indian professionals in the country with training in these areas. Future improvement plans include offering a Nutrition and Food Services degree with a strong emphasis on diabetes education and traditional food preparation.

We have also established the United Tribes Diabetes Education Center to assist local tribal communities and UTTC students and staff in decreasing the prevalence of diabetes by providing diabetes educational programs, materials and training. UTTC has published and made available tribal food guides to our on-campus community and to tribes.

—*Tribal Government Management/Tourism*.—Another of our new programs is tribal government management designed to help tribal leaders be more effective administrators. We continue to refine our curricula for this program.

A newly-established education program is tribal tourism management. UTTC has researched and developed core curricula for the tourism program and are partnering with three other tribal colleges (Sitting Bull, Fort Berthold, and Turtle Mountain) in this offering. The development of the tribal tourism program was well timed to coincide with the national Lewis and Clark Bicentennial this year. As you may know, Lewis and Clark and their party spent one quarter of their journey in North Dakota. UTTC art students were commissioned by the Thomas Jefferson Foundation to create historically accurate reproductions of Lewis and Clark-era Indian objects using traditional methods and natural materials. Our students had partners in this project including the National Park Services and the Peabody Museum at Harvard University. The objects made by our students are now part of a major exhibition in the Great Hall at Monticello about the Lewis and Clark expedition.

Job Training and Economic Development.—UTTC is a designated Minority Business Center serving Montana, South Dakota and North Dakota. We also administer a Workforce Investment Act program and an internship program with private employers.

Economic Development Administration funding was made available to open a "University Center." The Center is used to help create economic development opportunities in tribal communities. While most states have such centers, this center is the first ever tribal center.

Department of Education Study Documents our Facility/Housing Needs.—The 1998 Vocational Education and Applied Technology Act required the U.S. Department of Education to study the facilities, housing and training needs of our institution. That report, conducted for the Department by the American Institutes for Research was published in November 2000 ("Assessment of Training and Housing Needs within Tribally Controlled Postsecondary Vocational Institutions, November 2000, American Institute of Research") The report identified the need for $16,575,300 for the renovation of existing housing and instructional buildings ($8 million if some existing facilities are converted to student housing) and $30,475,000 for the construction of housing and instructional facilities.

UTTC continues to identify housing as its greatest need. We have a huge waiting list of students some who wait from one to three years for admittance. New housing must be built to accommodate those on the waiting list as well as to increase enrollment. Enrollment for the 2002–2003 academic year has increased by 31 percent. In order to accommodate the enrollment increase, UTTC partnered with local renters and the Burleigh County Housing Authority. Approximately 40 students and their dependents were housed off campus. The demand for additional housing also presents challenges for transportation, cafeteria, maintenance and other services.

UTTC is building a new 86-bed single-student dormitory on campus. UTTC formed a unique strategic alliance with the U.S. Department of Education, the U.S. Department of Agriculture, the American Indian College Fund, the Shakopee Mdwekanton Sioux Tribe and other sources to build the dormitory. The new dorm will help UTTC address its housing shortage. It will however create new challenges such as shortages in classroom, office and other support facility space.

Existing housing must be renovated to meet local, state, and federal safety codes. In the very near future, some homes will have to be condemned which will mean lower enrollments and fewer opportunities for those seeking a quality education.

Classroom and office space is at a premium. The College has literally run out of space. This means that the UTTC cannot expand its course offerings to keep up with job market demands. Most offices and classrooms that are being used are quite old and are not adequate for student learning and success. We were able to piece together three sources of funds (EDA, USDA, DOEd) to raise $1 million to renovate a building to create a new student life and technology center.

Thank you for your consideration of our request. We cannot survive without he basic vocational education funds that come through the Bureau of Indian Affairs.

PREPARED STATEMENT OF THE WIND RIVER IRRIGATION PROJECT IN WYOMING

Construction of Bureau of Indian Affairs-administered Wind River Irrigation Project (WRIP) began in 1905 as authorized by congressional legislation. Although construction continued off and on for over 50 years, the project was never completed. Currently, the WRIP is in a condition of extreme disrepair. Very little maintenance has been performed on the WRIP in the years since construction ceased. Studies commissioned by both the Eastern Shoshone and Northern Arapaho Tribes (Tribes) and the State of Wyoming, as well as BIA reports show that the WRIP has over $50 million in deferred maintenance.

As the result of decades of neglect, many essential water delivery structures in the WRIP are in immediate danger of failing. As these structures fail, large portions of the WRIP will be left without water. Such failure will have a huge impact not just on the livelihoods of agricultural producers left without water, but also on the entire Fremont County economy. A study conducted in 2000 concluded that the WRIP has a maximum life of 5 to 10 years if a large-scale rehabilitation effort is not undertaken.

The poor overall condition of the WRIP results in extremely inefficient use of water. Irrigation efficiencies in the WRIP range from 45 percent to as low as 27 percent. The inefficiency of the WRIP results in water shortages, even during normal or wet years. Water supply modeling done as part of a recent basin-wide planning effort undertaken by the State of Wyoming showed that the WRIP has one of the largest unmet needs of any irrigation project in the Wind River basin, even during wet years. During the past three years of drought, water shortages in the WRIP have been especially severe.

The poor condition and water delivery in the WRIP leaves farmers in the WRIP at a competitive disadvantage with other farmers in the region who irrigate in nearby, better-funded irrigation districts (Midvale Irrigation District, Riverton Valley Irrigation District, and Leclair Irrigation District).

To solve the problems on the Wind River Irrigation Project, a large-scale rehabilitation effort must be undertaken. The Tribes have completed numerous studies on WRIP rehabilitation, much of the engineering work has been done, and all that remains is to secure funding. The total cost of WRIP rehabilitation, based on studies that are several years old, is over $50 million. This cost is currently being updated. Completing a rehabilitation project of this magnitude will likely require a combination of federal and state funding. During the past legislative session, the Tribes worked closely with Wyoming legislators to pass into law a bill that will allow the Tribes to receive funding for water projects through the Wyoming Water Development Commission. In the months since the passage of this bill, the Wyoming Water Development Commission has been working closely with the Tribes to prepare an application for funds to help rehabilitate the WRIP.

We sincerely hope that Congress will be able to appropriate funds in the amount of $3.5 million per year over a three year period on a non-reimbursable basis for rehabilitation of the Wind River Irrigation Project—to begin initial and emergency rehabilitation. These funds should be in addition to funds normally allocated to the Bureau of Indian Affairs for their irrigation projects. With a combination of federal and state funding, the WRIP can be rehabilitated for the benefit of everyone in the Wind River Basin.

PREPARED STATEMENT OF THE ENEWETAK/UJELANG LOCAL GOVERNMENT COUNCIL

Mr. Chairman and distinguished members of this Subcommittee: Thank you for providing this opportunity to the people of Enewetak to describe issues that relate to our ability to live on Enewetak Atoll. Of immediate concern is increased funding of Enewetak Food and Agriculture Program. Consequently, this statement includes a request to increase the funding of the Department of Interior funded Enewetak Food and Agriculture Program by $309,000 from $1.391 million to $1.7 million.

Other issues that relate to our ability to live on Enewetak Atoll are: Funding of the health care program; funding of the just compensation award issued by the Nuclear Claims Tribunal; resettlement of the Enjebi people on their home island of Enjebi; monitoring of the our people for radiation exposure; continued monitoring of the environment to determine current radiation levels; and, monitoring of the Runit dome.

We would first like to address the continuing challenges that life on Enewetak presents. These challenges are the result of the severe damage inflicted on our atoll by the U.S. Nuclear Testing Program. This committee has helped us meet some of these challenges by funding the Enewetak Food and Agriculture Program.

CONTINUED AND INCREASED FUNDING OF THE ENEWETAK FOOD AND AGRICULTURE PROGRAM

This program is necessary because over one-half of Enewetak remains contaminated by radiation. The remaining fifty percent of the land was turned into a desert-like wasteland in the course of the nuclear testing program. As a result of such activities, there is insufficient food and other resources on Enewetak atoll to support the people.

Congress recognized the predicament of the Enewetak people and in Section 103(h) of the Compact of Free Association Act of 1985, Public Law 99–239, authorized funding for the Enewetak Food and Agriculture Program. Such funding provides imported food, an agriculture rehabilitation program, and the operation of a vessel.

Much progress has occurred over the past several years with regard to the agriculture rehabilitation effort. In addition, we have become more and more involved with the soil rehabilitation effort and the planting and maintenance of food bearing plants. Increase in the funding from $1.1 million to approximately $1.4 million these past 2 years has helped the program keep up with inflation and has created a momentum that we would like to maintain.

However, the increasing population, much improved agriculture rehabilitation techniques, and transportation expenses has increased the costs to the program. These costs are the costs of the necessary food imports; transportation costs for food imports; transportation costs of equipment, material, supplies, and fuel for the agriculture rehabilitation program; and labor costs for the accelerated agriculture effort. To meet these increased costs, the program needs to be increased to the sum of $1.7 million in fiscal year 2003. The $1.7 million is broken down as follows: Food and cooking fuel costs, $550,000; agriculture costs (labor, equipment, material, supplies, fuel, operations and maintenance), $850,000; transportation costs (labor, fuel, operations and maintenance), $300,000. Included in the three foregoing categories is the cost of administration of the program. Due to the foregoing, we respectfully request that this committee increase the amount requested by the Administration for this program for fiscal year 2003 by the amount of $309,00, for a total of $1.7 million.

We would now like to describe the award of $386 million made to us by the Marshall Islands Nuclear Claims Tribunal for damages we suffered as a result of the U.S. Nuclear Testing Program. We will briefly describe this development and then describe the necessity of resettling the Enjebi island members of our community on their home island, radiation monitoring of our people and the environment, and the background of the food and agriculture program and its components.

FUNDING OF THE JUST COMPENSATION AWARD ISSUED BY THE NUCLEAR CLAIMS TRIBUNAL

The issue most important to us is the funding of the $386 million award for just compensation made to the Enewetak people by the Nuclear Claims Tribunal. Enewetak was the site for forty-three of the sixty-seven nuclear bombs detonated by the United States in the Marshall Islands. The damages of the U.S. Nuclear Testing Program affect us to this day. It is important to remember that in 1947, prior to the removal of our people from Enewetak, the United States promised us that we would have all constitutional rights accruing to U.S. citizens, that we would be taken care of during our exile to Ujelang, and that we would not be exposed to any greater danger than the people of the United States.

The constitutional rights to which we are entitled include the right to be justly compensated for the damages we suffered as a result of the U.S. nuclear testing program. In addition to the well documented promises made to us, the United States in the Compact (1) accepted responsibility for the just compensation owing for loss or damage resulting from its nuclear testing program and (2) agreed that the Marshall Islands Nuclear Claims Tribunal ("Tribunal") make a final determination of the amount that would satisfy the constitutional requirement of just compensation.

The Tribunal, following well established U.S. constitutional, legal, and regulatory principles, determined that the just compensation to be provided to us was an amount of $386 million in addition to what we received or will be received under the Compact. The funding of this amount by the United States would satisfy its constitutional obligation to us. This funding could be provided through the Changed Circumstances Petition process that has been presented to the U.S. Congress. Alternatively, the Congress could direct the U.S. Court of Appeal for the Federal Circuit to review and certify, or to reject in whole or in part, the award of the Tribunal similar to an existing Congressional provision that deals with judgments of the Marshall Islands courts against the U.S. arising from its administration of the Marshall Islands under the U.N. Trusteeship.

It is important to note that this funding would provide us with the resources to rid our land of radiological contamination, rehabilitate the soil, revegetate the land, resettle the Enjebi people on their home island, and provide the means by which we could establish a local economy in the fishing and tourism sectors. The foregoing would permit us to once again become self-reliant and self-sufficient. Until this funding materializes, we require continued and increased funding of the Enewetak Food and Agriculture Program.

RESETTLEMENT OF THE ENJEBI PEOPLE ON THEIR HOME ISLAND OF ENJEBI

We, the Enewetak people, consist of two groups: The people of the southern part of the atoll, the Enewetak group; and, the people of the northern part of the atoll, the Enjebi group. The Enjebi people have been exiled from their home island for a period of over 56 years. They have not been able to resettle their home island because it remains contaminated. As a result, the Enjebi people need to share the limited land and resources with the other Enewetak people on the islands of Enewetak, Medren and Japtan. As the populations grow, this is becoming an increasingly difficult situation. Yet Enjebi cannot be resettled in the near term because insufficient funding exists for the cleanup and resettlement.

The situation at Enjebi is difficult since Enjebi Island was ground zero for a number of tests. In addition, it underwent bulldozing, scrapping and soil removal during the 1977–80 partial cleanup activities. In order to make the island habitable again, radiological remediation and soil and plant rehabilitation are required. As determined by the experts, the cost for the radiological remediation and soil and plant rehabilitation is approximately $118 million, which includes the cleanup and rehabilitation of the other northern islands which are part of the Enjebi people's resources for food from land and marine areas. These costs are part of the just compensation award made to the Enewetak people by the Tribunal.

In addition, the people require the housing, infrastructure, and other buildings necessary to permit them to live on the island while the rehabilitation is ongoing. These costs are estimated at $30 million.

In short, the cleanup and resettlement of Enjebi is projected to cost $148 million. The best solution is for the funding of the Tribunal award which would provide the funding for the cleanup and rehabilitation of all the northern islands including Enjebi, and which would provide the funding for the housing and other necessary infrastructure at Enjebi.

RADIATION MONITORING OF THE PEOPLE, THE ENVIRONMENT, AND THE RUNIT DOME

Because of the residual radiation contamination at Enewetak Atoll, we and our environment need to be monitored. The U.S. Department of Energy (DOE) and the Enewetak/Ujelang Local Government Council have reached an agreement on an appropriate whole body counting and plutonium detection regime. The DOE responsibilities under such a regime need to continue until Enewetak is radiologically remediated. In addition, the Runit Dome (Cactus Crater Containment Site) contains over 110,000 cubic yards of material including plutonium and other radioactive debris. This site needs to be monitored to assure the integrity of the structure and to assure that no health risks from the radioactive waste site are suffered by us. To effect the foregoing, a long-term stewardship program of the Runit Dome needs to be implemented by the United States.

FUNDING OF THE HEALTH CARE PROGRAM

In Section 102 of Public Law 96–205, the U.S. Congress, authorized a program of medical care and treatment for the peoples of the atolls of Bikini, Enewetak, Rongelap, Utrik and other Marshallese determined to be affected as a result of the U.S. Nuclear Testing Program in the Marshall Islands. The funding for such program continued, in an amount of $2 million annually for 15 years, under the terms of Article II Section 1(a) of the Agreement Between the Government of the United States and the Government of the Marshall Islands for the Implementation of Section 177 of the Compact of Free Association, Public Law 99–239. The funding for such medical care and treatment program expired as of October 21, 2001. The RMI has provided funding for the continuation of this program from the Section 177 trust fund. However, that fund is now so depleted that the RMI cannot fund the program in the future. The Congress in Section 104 of Public Law 96–205, intended such medical care and treatment program to continue unless terminated by the express approval of the Congress. Congress has not approved termination. The program needs to continue and the funding needs to be increased to $4 million annually to provide a medical safety net for the people of the 4 atolls and other Marshallese determined to have been affected by nuclear testing. Even at the $4 million level, the program will only be able to expend $28 per person per month for the program costs. The $4 million should include an inflation factor by being tied to the U.S. medical CPI.

We would now like to describe the food and agriculture program:

ENEWETAK FOOD AND AGRICULTURE PROGRAM

The Enewetak Food and Agriculture Program enables us to live on Enewetak. It provides funding for imported food, continued agriculture rehabilitation, operation of a motor vessel that brings us the imported food, and an operation and maintenance component conducted out of a facility on Enewetak known as the field station.

Efforts made to increase food production.—The most significant aspects of the agriculture rehabilitation program are the infusion of nutrients into the soil and the planting of buffer plants along the island's shore to protect the interior plants from salt spray. The infusion of nutrients into the soil is accomplished by digging trenches and placing organic material in the trenches along with a compost mixture of copra cake and chicken manure. This activity is extremely labor intensive and required the importation of copra cake and chicken manure. Although the work is progressing, additional funding is required to provide greater manpower and the necessary equipment, materials and supplies.

Importation of food.—Imported food is required because of the poor soil condition of the land available to us and the radiation contamination of other lands. Imported food is now approximately $500,000 of the program budget and is expected to increase because of the increase in food costs and because of our growing population. These issues further illustrate the need to increase the program to $1.7 million.

Vessel.—In 1999, we purchased, repaired, and refitted a 104-foot motor-vessel as a replacement vessel for our 54-foot motor-sailer, which sank. This replacement vessel, named the KAWEWA, has greater capacity for cargo and passengers than the previous vessel. The KAWEWA permits us to transport machinery, equipment, supplies and other necessary cargo. It also provides transportation to members of our community. Both the transport of cargo and people has become extremely difficult in the Marshall Islands because of the lack of transport vessels and aircraft. The KAWEWA provides the necessary lifeline for goods, materials, and transportation for our community.

Field Station.—Operation and maintenance of the entire program is conducted out of a facility referred to as the Field Station. Field Station personnel provide all the

required agricultural work; maintain, service, and operate the equipment required by the various components of the program; make payments and maintain books of accounts; and coordinate the procurement of food, material and equipment.

CONCLUSION

We thank the Congress for its past support and its consideration of the items described above.

PREPARED STATEMENT OF THE CENTRAL SIERRA ENVIRONMENTAL RESOURCE CENTER

Our organization provides the following recommendation and input for the fiscal year 2004 Department of the Interior and Related Agencies Appropriations bill. Our Center is cognizant of the need for public land acquisition in our local region and the priorities that are important, given limited funding. This letter provides our fiscal year 2004 funding recommendations for Land and Water Conservation Fund projects and the Conservation Trust Fund. We urge that $450 million be allocated to the Federal LWCF program in fiscal year 2004. We specifically recommend $3.7 million for the National Park Service to fund the acquisition of the unique Ackerson Meadow property and to also acquire the Hazel Green property, and $2 million to purchase Mojave National Preserve inholdings. We recommend $2.5 million for the U.S. Forest Service to acquire wilderness inholdings in Northern California. We recommend $2 million for the Bureau of Land Management to purchase wilderness inholdings in the desert lands under their management. As other groups have endorsed, we also agree that the Conservation Trust Fund should be funded at its dedicated amount of roughly $2 billion in fiscal year 2004.

As you are aware, the LWCF is critically important for protecting important lands and at-risk resources in California and elsewhere. For example, in our local region, there is a 400-acre parcel of land (called the Ackerson Meadow property) that lies directly adjacent to Yosemite National Park. The forest on the Ackerson Meadow property contains nesting pairs of rare Great Gray Owls, and amazingly, the Ackerson Meadow property also contains riparian breeding habitat for the threatened Willow Flycatcher. The meadow system is both a wet and dry meadow complex that supports abundant wildflowers, ferns, and groundcovers, and the stream system of the property may contain rare Mountain Yellow-Legged Frogs. All of this is currently at risk as the property owners have placed the land on the open market, which could lead to its development and the permanent loss of an opportunity to add this unique and critical wildlife habitat to either Yosemite Park or the Stanislaus National Forest (which also abuts the property). This Ackerson Meadow parcel is representative of other precious, vitally important parcels that have national significance. Once they are developed or altered, the resource values that could last for countless generations could be forever lost.

The following is a list of specific areas, including Ackerson Meadow, that deserve high priority consideration for immediate funding:

Ackerson Meadow

Out of the entire region that lies west and northwest of Yosemite National Park, there is no other public or private that provides as much important diversity and unique value as Ackerson Meadow. More than 100 bird species have been documented to use the property. Rare Great Gray Owls nest along the meadow edge. Willow Flycatchers breed along one section of the stream. There are Native American sites, one old homestead building, and many outstanding scenic values. The property is currently listed for sale to any interested buyers, and the potential for it to be developed or converted into a cattle ranch makes the priority for purchase extremely high. In addition, the current property owner has discussed logging the property if no buyer steps forward soon. Such logging would directly affect the nest stands needed by the Great Gray Owls. These 400 acres of spectacular meadow and forest could be purchased for $2,500,000 from the present owners and managed by the National Park Service for its outstanding wildlife values. If the property, instead, sold to developers or as a cattle ranch, the potential for any public land purchase would plummet, while any future purchase price would correspondingly climb dramatically.

Wilderness Inholdings on Forest Service Land within California

Each year, numerous private parcels that are inholdings within designated Wilderness are offered for sale by the landowner. For fiscal year 2004, we request $2,5000,000 to purchase available inholdings now available, including two properties in the Trinity Alps Wilderness area and in the Marble Mountains Wilderness Area.

Both wilderness areas provide important habitat for wildlife and recreational opportunities to the public. The Pacific Crest Trail runs through both wilderness areas. The Trinity Alps wilderness is especially popular with hikers, offering numerous loop trails extending off the Pacific Crest Trail. The Marble Mountains Wilderness Area is known for its diverse forests of tanbark oak, madrone, Douglas fir, foxtail pine, and mountain hemlock. The private lands in the Trinity Alps and Marble Mountain areas represent only a small fraction of the California Forest inholdings that will be put on the market for sale in the coming years. Annual funding allocated specifically for critical forest inholdings would allow the Forest Service to purchase land on a prioritized need basis to prevent development of lands and protect areas of significant ecological value.

Wilderness Inholdings on BLM lands within the Desert Region of California

In southern California, the BLM Desert District manages 65 individual wilderness areas throughout the California desert. Hundreds of land acquisition opportunities exist among the 65 wilderness areas the BLM manages. Due to the numerous important ecosystems and habitats of these areas, the BLM would like an annual appropriation of $2,000,000 to purchase critical inholdings. For every $1,000,000 allocated, 1,500 acres of land can be acquired and protected. New opportunities arise each year as landowners place their property on the market. Some properties have more urgent funding needs and some properties are of greater ecological significance. With an annual funding allocation for critical inholdings, the BLM will be able to acquire and protect the most sensitive lands in the wilderness areas each year.

Mojave National Preserve Inholdings

The Mojave National Preserve, managed by the National Park Service, is a diverse ecosystem that contains sand dunes, Joshua tree forests, desert washes, dry lakes, and mile-high mountains. The landscape provides habitat to a wide variety of animals including bighorn sheep, coyotes, iguanas, wild burros, and the threatened desert tortoise. Numerous private inholdings exist within the National Preserve, some of which have proposed development by the owners in the past. As these inholdings become available for purchase it is essential that they be acquired for preservation to prevent development and critical habitat loss. The purchase of critical inholdings within the Mojave National Preserve is an ongoing project and we request funding of $2,000,000 for fiscal year 2004. Funding will be used to secure the most urgent properties first.

Hazel Green Property—adjacent to Yosemite National Park

Yosemite, made famous by its spectacular mountain and valley scenery and its groves of giant Sequoia trees, is one of America's oldest and best-loved national parks. The Hazel Green property, located on the western boundary of the park, is targeted for hotel development. Acquiring the Hazel Green property will help realize the transportation components of the Yosemite Valley plan, which is to reduce traffic congestion and crowding. The property will be listed with a local real estate agent shortly so funding of $1,200,000 for fiscal year 2004 is needed to acquire these lands.

All of the properties described above provide important values that should be maintained in public ownership. Prices will never be lower in the future, and the threats to many of these areas make acquisition especially timely.

PREPARED STATEMENT OF AUDUBON NEW YORK

Thank you for the opportunity to present testimony on behalf of Audubon New York, the State program of the National Audubon Society. My name is David J. Miller, the Executive Director of the organization that promotes the protection and proper management of birds, other wildlife and their habitats through advocacy and education. I am testifying in support of the Conservation Trust Fund, which should be fully funded at its dedicated level for fiscal year 2004, $2.08 billion. My primary reason for submitting this testimony is to respectfully request an allocation of $200 million for the stateside Land and Water Conservation Fund (LWCF) and $125 million for State Wildlife Grants.

Your predecessors in the Congress had a simple, but brilliant, idea in the mid-1960's. They recognized that non-renewable resources, oil and gas, were being depleted on the Outer Continental Shelf, and billions of dollars of revenue were being realized by the Federal government through leases authorizing the exploration and removal of these commodities. About this time, a report had been issued by the Outdoor Recreation Resources Review Commission, chaired by Laurence Rockefeller,

which documented the need for quality and accessible outdoor recreation and recommended a funding source be identified so that other non-renewable resources could be safeguarded for their natural attributes and/or for their recreational value. A bi-partisan effort resulted in the creation of the Land and Water Conservation Fund in 1964.

The LWCF is one of the components of the Conservation Trust Fund and has two basic elements: a federal program and a stateside matching grant program. The federal side provides funds to acquire land and water resources for national parks, forests, wildlife refuges and other public land. These are important purposes and we support the continued availability of money for federal use. As important, however, is the stateside program, which provides 50 percent matching grants to states and localities for the planning, acquisition, development and improvement of parks and recreational facilities. These are enormously important because they provide close-to-home opportunities for people to refresh their spirit, to interact with family and friends and to enjoy the healthful attributes of the great outdoors. The funds supplied by the federal government to this program are most efficient since they are matched by state and local dollars. Since its inception in 1964, more than 38,000 projects have been funded and the LWCF has touched the lives of most every U.S. citizen in one way or another, whether they realize it are not.

The fund is authorized at $900 million annually. Originally, the formula between federal and stateside funding provided that not less than 60 percent of the annual appropriation was to go to stateside projects. In the early 1980's, the formula was changed to allow not more than 40 percent for the stateside program. Obviously, this was a substantial change and resulted in a further strain on stateside projects. Stateside funding trickled in from that time until 1995, when the funding dried up completely.

Recognizing the importance of the funding, New York State carried the ball authorizing bond acts and other funding mechanisms to continue state projects and 50 percent matching grants to municipalities for the same purposes authorized in the LWCF. The demand for these funds greatly exceeded their availability and in 1998 Governor George E. Pataki called for the creation of an Empire State Task Force for Land and Water Conservation Funding. Ironically, Laurence Rockefeller agreed to serve as the Honorary Chair since he continues to believe in the importance of close-to-home recreational opportunities. Audubon New York, and an incredible number of diverse and concerned organizations, responded to the Governor's call and under the direction of Parks Commissioner Bernadette Castro, and then Environmental Conservation Commissioner John Cahill, mobilized a massive grassroots campaign to revitalize the stateside LWCF. The result was unanimous and bipartisan support for the Fund by the New York Congressional delegation.

As a result of the vocal support heard all around this Country, monies once more started to flow. New York received almost $2 million in fiscal year 2000, more than $4.5 million in fiscal year 2001 and more than $7 million in fiscal year 2002, and it looked like we were trending in the right direction. Even though the Conservation and Reinvestment Act (CARA) was not passed, there was a good feeling about the Conservation Trust Fund, which was authorized for 6 years, starting at $1.6 billion annually and was to grow by $160 million each year. Unfortunately, fiscal year 2003 served to once more take the wind out of the proponent's sails. Once more we started to go backwards. Once more we were disappointed, even though the need for respite and sanctuary is clearly greater today than it was in fiscal year 2001.

We respectfully request that you stop the deterioration of these critical programs during a time of such need. We ask that you remember the vision of your predecessors in the mid 1960's. We ask that you fully fund the Conservation Trust Fund, recognizing that this was the compromise presented when CARA failed! To go backwards from the reduced commitment cannot be justified, especially since it represents such a small amount in the relative scheme of domestic spending.

For fiscal year 2004 please provide full funding for the stateside LWCF. $200 million will allow the states and their municipalities to continue to address the recreational needs of their citizenry. This number is higher than the $160 million requested by the Administration, but it is far below the original share authorized for the states. Audubon New York believes that ultimately the LWCF should be funded at its $900 million authorized level, and that amount should be evenly split between the federal and stateside programs. New York has funded more than 1,100 projects, in every County in the State, with LWCF funds. Since the year 2000, approximately 60 projects have been funded throughout the state from eastern Long Island to the Niagara Frontier; from New York City to the Thousand Islands and from the Southern Tier to the Adirondacks. Valuable open space has been protected, ball fields built and trails aligned. None of these essential community amenities would have

been available without the support of the Congress. We thank you for this, and we urge you to continue that good work in the future.

The other Conservation Trust Fund program that we would like to add our support for today is the State Wildlife Grants program. This is another critical program, which provides money for wildlife conservation projects that stabilize, restore, enhance and protect wild species and their habitats. Although authorized at $150 million, the Administration is only recommending funding at the $60 million level. Audubon New York urges an appropriation in the area of $125 million. We struggle daily to prevent species from becoming endangered, and with more than 1,000 species in such danger, we desperately need the funding requested. The federal government needs to remain a partner in this effort and we implore the appropriators to recognize that it is less expensive to protect them today than it would be to help them recover tomorrow.

I thank you for this opportunity to share the thoughts of Audubon New York with you. Again, we are asking for full funding for the Conservation Trust Fund at $2.08 billion; $200 million for the stateside Land and Water Conservation Fund; and $125 million for the State Wildlife Grants program. Let's live up to the promises and commitments of the past; and let's invest in our communities, families and children's future. Thank you for your thoughtful consideration.

PREPARED STATEMENT OF THE CONSERVATION TRUST FUND COALITION

Mr. Chairman, we, the Conservation Trust Fund Coalition, are writing to express our support for fully funding the Conservation Trust Fund (also known as the "Conservation Spending Category"), the key to providing adequate levels of conservation, recreation, historic preservation, ocean conservation, and wildlife funds at the local, state, and federal level.

As a broad and diverse coalition of conservation and civic organizations, historic preservationists, state wildlife directors, advocates for marine and coastal areas, park and recreation directors, advocates for urban and wilderness areas, outdoor recreation and sporting goods industry leaders, hunters and anglers, and youth sports groups, we believe that the Conservation Trust Fund represents a major advancement in conservation spending. The programs within the Trust Fund encourage active lifestyles, promote smart growth, and stimulate the economy by investing in communities across America.

For fiscal year 2004, we support maintaining the integrity of and fully funding the Conservation Trust Fund at its dedicated $2.08 billion level. To make this possible, we respectfully urge you to provide sufficient 302(b) allocations to both the Interior and the Commerce, Justice, State and Judiciary Appropriations Subcommittees to allow them to provide full funding for portions of the Conservation Trust Fund within their jurisdiction without harming other important programs.

We hope that you will join us by supporting the Conservation Trust Fund at its dedicated level, safeguarding the health and well being of America's communities and preserving our natural, cultural, and historic resources. Thank you for your consideration of this important matter.

PREPARED STATEMENT OF THE OCEAN CONSERVANCY

The Ocean Conservancy is pleased to share its views regarding the programs in the Department of the Interior's budget that affect marine resources and requests that this statement be included in the record for the fiscal year 2004 Interior and Related Agencies Appropriations bill.

The Ocean Conservancy (TOC) strives to be the world's foremost advocate for the oceans. Through science-based advocacy, research, and public education, we inform, inspire, and empower people to speak and act for the oceans. TOC is the largest and oldest nonprofit conservation organization dedicated solely to protecting the marine environment. Headquartered in Washington DC, TOC has regional offices in Alaska, California, Florida, and Maine.

CONSERVATION TRUST FUND

TOC supports full funding for the Conservation Trust Fund. We believe that the Conservation Trust Fund represents a major advancement in conservation spending and urge the Subcommittee to fully fund and maintain the integrity of the Conservation Trust Fund at its authorized level of $1.56 billion in fiscal year 2004.

FISH AND WILDLIFE SERVICE

Endangered Species Program

Listing and Critical Habitat

The Fish and Wildlife Service (FWS) continues to face a backlog of species needing listing and critical habitat designation. TOC respectfully requests the Subcommittee fund endangered species listing and critical habitat programs at $24 million in fiscal year 2004, $14.9 million above fiscal year 2003 enacted levels.

Consultation Program

Each year, FWS reviews more than 62,000 federal actions under Section 7 consultations. TOC requests that the Subcommittee increase funding by $8 million to $56 million in fiscal year 2004 to ensure timely completion of these consultations.

Recovery Program

TOC is extremely concerned about the Administration's proposed $2.4 million cut to the endangered species recovery program. We appreciate the Subcommittee providing a modest increase in fiscal year 2003 and urge an additional increase be provided in fiscal year 2004. Within this increase, TOC respectfully requests the committee specifically earmark funds for the southern sea otter.

The southern sea otter was listed as threatened under the Endangered Species Act in 1977. The current population has suffered significant declines in six out of the last seven years. Necropsy data indicates that nearly 40 percent of otters examined had an infection at the time of death. TOC respectfully requests $500,000 in fiscal year 2004 to produce an epidemiology plan, conduct a health assessment workshop, and support the scientific research recommended by the Southern Sea Otter Working Group.

National Wildlife Refuge System—Coral Reef Conservation

Coral reefs are rightly known as "the rainforests of the sea," and are among the most complex and diverse ecosystems on earth. Coral reefs provide habitat to almost one third of marine fish species, serve as barriers to protect coastal areas, and provide an estimated $3 billion annually in economic benefits to the country from recreational tourism and fishing. Coral reefs are also extremely fragile and face serious threats from overutilization and pollution around the world.

The Department of the Interior serves on the Interagency Coral Reef Task Force and is responsible for implementing the National Action Plan to Conserve Coral Reefs. Unfortunately, the Department's budget is grossly inadequate to properly manage, monitor and protect the over two million acres of coral reefs under its jurisdiction. TOC respectfully requests an additional $1.5 million in fiscal year 2004 be directed to increase protection, monitoring and management of coral reefs within the National Wildlife Refuge System, including the refuges in the Florida Keys and newly established units at Palmyra and Kingman atolls.

Manatee Law Enforcement

TOC urges the Subcommittee to continue funding manatee law enforcement in fiscal year 2004. Heightened law enforcement efforts are necessary to protected the endangered Florida manatee and curtail motorboat caused mortalities. Watercraft mortalities represent the single largest identifiable cause of death for Florida manatees each year. Past funding has enhanced compliance with manatee protection speed zones and has increased the number of National Wildlife Refuge System officers patrolling Florida waters. While we support the Administration's proposed increase of $500,000 we ask for an additional $500,000 to promote recovery and minimize human caused mortalities within federally designated manatee refuges and sanctuary areas.

National Invasive Species Act—Ballast Technology Demonstration

Nonindigenous species infestations degrade natural resources of virtually every U.S. waterway and coastal area. Free of natural predators, alien species which become established in our waters often out-compete native organisms, destroy habitat and alter the physical and chemical conditions in our coastal waters. Invasive species are regarded as a leading cause of diminished biodiversity and cost our economy millions of dollars each year. The leading vector of unintentional introductions of aquatic pest species is the discharge of ballast water by oceangoing vessels. he National Invasive Species Act (Public Law 104–332) authorizes $2.5 million for the FWS to eliminate this source of aquatic invasives. We appreciate the Subcommittee's past support and urge the full $2.5 million be provided in fiscal year 2004 to help develop and demonstrate environmentally sound ballast water treatment technologies.

NATIONAL PARK SERVICE

Buck Island Reef National Monument, St. Croix, U.S. Virgin Islands

The Buck Island Monument has expanded in size from 880 acres to 18,135 marine acres, a twenty-fold growth. As a result, TOC respectfully requests an additional $1.0 million in funding in fiscal year 2004 for the Park Service to administer this ocean park; scientifically assess, monitor and protect its marine resources; and conduct outreach and education programs for its increased number of visitors.

Virgin Islands Coral Reef National Monument, St. John, U.S. Virgin Islands

TOC respectfully requests an additional $500,000 in funding in fiscal year 2004 to administer this new monument; scientifically assess, monitor, and protect its marine resources; and conduct outreach and education programs.

Channel Islands National Park

TOC respectfully requests an additional $500,000 in funding in fiscal year 2004 for the Channel Islands National Park. This funding is necessary for the Park to continue working with the State of California's Department of Fish and Game and NOAA's National Marine Sanctuary Program to protect Park resources, conduct a scientific assessment of the new marine reserves, and support education and outreach efforts for Park visitors.

Additional funding should be also provided to improve the management and protection of special coral reef areas in Florida's Dry Tortugas National Park and Biscayne National Park.

U.S. GEOLOGICAL SERVICE

Coral Reef Conservation

TOC respectfully requests $4.5 million in fiscal year 2004 for the U.S. Geological Survey to support research and monitoring of coral reefs, particularly in the U.S. Virgin Islands. Research and monitoring is needed to better understand the impacts of fishing on coral reefs, the causes of coral diseases, and the role of marine protected areas in coral reef conservation.

National Water Quality Assessment Program

Over the past 50 years, nitrogen and phosphorus inputs into U.S. waters from human activities on land have increased up to 20 times their previous levels, and the rate of increase is accelerating. This has had a number of adverse impacts on our coastal water quality. Algae blooms are depleting oxygen levels, killing fish and other aquatic organisms. Dead zones are increasing in size and quantity.

At the present time we cannot effectively assess the extent of our water quality problems or the effectiveness of our programs because only 32 percent of our estuaries and 5 percent of our ocean waters are monitored. The National Water Quality Assessment Program (NWQAP) is one of the few federal programs charged with systematically monitoring the status of the nation's water quality, evaluating trends, and assessing the sustainability of this critical resource. Data from NWQAP is absolutely essential if we are to make progress in reducing the impacts of excess nutrients in the marine environment.

We greatly appreciate the Subcommittee's rejecting the Administration's proposed 10 percent budget cut last year and request $66.8 million in fiscal year 2004, $3 million above the Administration's fiscal year 2004 request.

Toxics Substances Hydrology Program

The Toxic Substances Hydrology Program provides objective scientific information on the behavior of toxic substances in the nation's hydrologic environments. The information is used to improve characterization and management of contaminated sites, to protect human and environmental health, and to reduce potential future contamination problems. The program is guided by reviews conducted by the National Research Council. We urge the committee to reject the Administration's proposed $2.5 million cut to this program and restore funding in fiscal year 2004 to the fiscal year 2002 level of $13.9 million.

MINERALS MANAGEMENT SERVICE

Offshore Oil and Gas Leasing Moratoria

Since 1981, Congress has included bill language in the Interior Appropriations legislation to protect sensitive coastal and marine regions from new offshore oil and gas leasing. Today the moratorium protects the east and west coasts of the United States, Alaska's Bristol Bay, and parts of the Eastern Gulf of Mexico off Florida.

TOC applauds the Subcommittee's historic support of this language and strongly supports its continued inclusion in fiscal year 2004.

Thank you for considering the funding needs of these programs. They are of the utmost importance to the stewardship of the nation's living marine resources. We greatly appreciate your past support for these programs and your consideration of our fiscal year 2004 requests.

PREPARED STATEMENT OF THE WILDERNESS SOCIETY

Mr. Chairman, The Wilderness Society (TWS) would like to thank you for the opportunity to provide recommendations and comments on the fiscal year 2004 Department of the Interior and Related Agencies Appropriations bill. On behalf of the more than 200,000 members and supporters of TWS, a 70-year-old organization dedicated to preserving America's last remaining wild places, I provide below our fiscal year 2004 funding recommendations for a number of important conservation programs. Our top priorities include:

—Continuation and full funding for the Interior portion of the Conservation Trust Fund (Land Conservation, Preservation and Infrastructure Improvement Fund) at $1.56 billion;

—Within the Conservation Trust Fund, $450 million for Land and Water Conservation Fund federal land acquisition; and

—Within the Conservation Trust Fund, $150 million for the Forest Legacy program.

We also urge you to maintain the integrity of both the Conservation Trust Fund, and of the Land and Water Conservation Fund contained within it.

Adequate funding for the programs discussed below is vital to protect America's wild areas and environmental values, essential components of our American identity and our heritage. The land and our relationship with it infuse our history, our heroes, and our hearts. We hope to work with you to find the resolve and funding to protect those values that, like freedom itself, are a national birthright.

CONSERVATION TRUST FUND

We respectfully urge the Subcommittee to provide full funding for its portion of the Conservation Trust Fund (CTF) at $1.56 billion for fiscal year 2004. In one of its great bipartisan environmental achievements, the Congress established the Conservation Trust Fund in 2000 to address the chronic and severe underfunding of our nation's conservation, recreation, wildlife, and cultural treasures' needs.

We thank the Subcommittee for providing the full dedicated for CTF programs under the jurisdiction of the Interior Appropriations Subcommittee for fiscal year 2001 and fiscal year 2002. However, we are troubled by the drop of over $400 million in total CTF funding in the final fiscal year 2003 Omnibus appropriations bill, and by the cut of nearly $600 million in the President's fiscal year 2004 budget. We strongly urge you to maintain Congress' commitment to the CTF for fiscal year 2004 by providing the dedicated funding level of $1.56 billion for Interior appropriations programs.

Additionally, Congress should reject the proposal in the President's budget to erode the fund's original purposes by cutting funding for its authorized programs, such as the Land and Water Conservation Fund and State and Tribal Wildlife grants, while adding funding for new programs such as the poorly-defined Cooperative Conservation Initiative.

Land and Water Conservation Fund.—Within the CTF, we urge the Subcommittee to reject the Administration's proposal for the Land and Water Conservation Fund (LWCF), and instead to provide at least $650 million for LWCF's original, authorized programs, including $450 million for Federal Land Acquisition. For decades, LWCF has been a premier tool to fund two things: federal land acquisition and a state assistance program. This year, in an attempt to make LWCF look full, the Administration shoehorns in numerous additional unrelated programs. This was done to mask cuts of over 50 percent in real land acquisition. Funding in the President's Budget for National Park Service, Fish and Wildlife Service, Bureau of Land Management and U.S. Forest Service land acquisition is cut from a combined total of $429 million enacted in fiscal year 2002 to $187 million proposed for fiscal year 2004. Americans have long relied on federal land acquisition to protect and complete its parks, forests and refuges, and the Administration's cuts would result in smaller, more degraded lands and fewer recreation experiences—and the words "Land and Water Conservation Fund" would lose the meaning they have had since 1965.

We specifically recommend LWCF federal land acquisition funding for 24 priority projects for fiscal year 2004, listed in Appendix A. Federal acquisition of these lands

is necessary to address grave, immediate environmental threats with the potential for permanent damage, and to help protect and restore wildlands of significance (e.g. those with rare ecosystems, endangered species, and/or other special qualities).

Forest Legacy.—We also recommend $150 million within the CTF for Forest Legacy. Authorized by Congress in 1990, the Forest Legacy program offers the opportunity for the federal government to work in partnership with states, local communities and private landowners to ensure that the multiple benefits found on forest lands—economic sustainability, wildlife habitat protection, and recreational opportunities—are secured for future generations. Since its inception, Forest Legacy has proven an extremely popular means to combat the loss of privately-owned timberlands to development, but is currently unable to meet national demand. In fiscal year 2003, states submitted funding requests totaling over $300 million in Forest Legacy funding, yet less than a third of this amount was appropriated. In addition, several other states are in the process of enrolling in the program in the near future, increasing the demand for funding. We specifically recommend Forest Legacy funding for 11 priority projects, listed in Table B below.

ADDITIONAL AGENCY APPROPRIATIONS RECOMMENDATIONS

U.S. Forest Service.—Forest Service lands provide a vast array of popular recreational opportunities for millions of Americans. Outdoor recreation contributes more to the U.S. economy than any other use of the National Forest System, producing 31 times more jobs and 38 times more economic benefits than logging. Despite this, many important conservation programs that help maintain Forest Service lands' recreational and ecological components are chronically underfunded, while programs that harm our national forests have traditionally received too much funding. We urge the Subcommittee to provide $76 million for Wildlife, Fish, Watershed and Atmospheric Sciences Research, approximately a $25 million increase over the fiscal year 2004 President's Budget request. We also recommend $285 million for the Recreation, Heritage, and Wilderness Program, an increase of $30 million, as well as $200 million for the Wildlife and Fisheries Habitat Management Program, an increase of $65 million.

We are concerned that the proposed fiscal year 2004 President's Budget's for the Forest Service Research and Development account falls $8 million short of the $260 million needed to prevent the further erosion of scientific capability within the Forest Service. Additionally, TWS strongly urges the Subcommittee to restore funding to the Rehabilitation and Restoration program at the fiscal year 2001 level of $142 million; and to fund Deferred Maintenance and Infrastructure Improvement at the fiscal year 2002 level of $60 million. These two funds are critically important for mitigating environmental impacts after severe wildland fire events and for reducing the $8 billion road maintenance backlog. Finally, we request that you avoid endorsing the President's proposal to reduce the number of wildland firefighting crews and engines by 53 percent, but instead at least double the wildland fire budget to prepare for a fire season similar to 2000 or 2002.

Fish and Wildlife Service.—The National Wildlife Refuge System passes a significant milestone when it celebrates its 100th anniversary this year. Unfortunately, the Refuge system is suffering under a nearly $2 billion backlog in operations and maintenance. TWS gratefully acknowledges the Subcommittee's faithful and consistent efforts to improve funding for the system, and we look forward to continuing our collaborative work with the Subcommitee towards additional improvements. We recommend $700 million for the Operations and Maintenance Program, an increase of $298 million above the President's Budget, to carry out necessary repairs, fund new staff positions, and support development of Comprehensive Conservation Plans.

National Park Service.—TWS is grateful for the President's continued support of the National Resource Challenge, but an increase of $12.4 million is needed in this fifth and critical year of this program to bring its funding level to $80 million. We also recommend $6 million for the Soundscape program, to assist the National Park Service (NPS) in preserving and/or restoring the natural soundscapes within the parks. Additionally, as a member of the steering committee for Americans for Our National Parks, we recommend an additional $178 million over the enacted fiscal year 2003 levels in Park Operations to adequately protect the natural and cultural resources of the National Park system, bringing the total NPS Operations appropriation to $1.63 billion.

In addition, TWS continues to recommend the formation of a Wilderness Branch within NPS, as the agency is the conservator of the largest total area of wilderness in the world.

Bureau of Land Management.—The President's fiscal year 2004 Budget proposes $43 million for the National Landscape Conservation System (NLCS), including an

increase of $2.7 million for operations. This funding increase is critical to protect the cultural and ecological "crown jewels" of the BLM system: 15 National Monuments, 15 National Conservation Areas, hundreds of wilderness areas and wilderness study areas and numerous segments of Wild and Scenic Rivers and National and Scenic Trails. We also suggest the Subcommittee work with the agency and other interests to allocate funding for specific resource protection priorities at NLCS units.

For BLM overall, TWS recommends an increase of $2 million for Resource Management Planning above the fiscal year 2004 President's Budget request of $48 million, to ensure effective public participation and outreach for new planning starts.

We also endorse the Interior Department's multi-agency Invasive Species Initiative, and urge the Subcommittee to provide the full $9 million increase for its programs proposed in the fiscal year 2004 President's Budget.

TABLE A.—RECOMMENDED FEDERAL LWCF PROJECTS FOR FISCAL YEAR 2004

[In millions of dollars]

Agency	State	Project name	Fiscal year 2004 funding request
BLM	Arizona	Grand Canyon Parashant National Monument	1.2
	California	California Desert Wilderness Inholdings	2
	Utah	Grand Staircase Escalante/Calf Creek	1
USFS	Alaska	Cube Cove—Admiralty Island	4
	Alaska	Tongass—North Knig Slough	.510
	Alaska	Unuk River—Misty Fjords Nat. Monument	.400
	California	California Wilderness Inholdings	2.5
	Florida	Pinhook Swamp/Suwanee Wildlife Corridor	2.5
	Georgia	Chattahoochee NF—Etowah River Basin	1.2
	Georgia	Chattahoochee NF—Springer Mountain	.700
	Georgia	Chattahoochee NF—Thrower Tract	1.25
	Idaho	Payette NF—Thunder Mtn. Area—River of No Returns	5
	Montana	Gallatin National Forest—Taylor Fork	2
	New Mex.	Gila Wilderness—Margaret Stewart Purchase	.075
	New Mex.	Gila Wilderness—Middle Percha Purchase	.175
	New Mex.	Gila Wilderness—Spring Canyon Purchase	.340
	New Mex.	Kelly Purchase	.320
	N. Dakota	Griffin Ranch—Bullion Butte Roadless Area	1.5
	Vermont	Vermont Long Trail Additions—Bolton Mt.	0.20
	Washington	Cascade Crest	8
NPS	California	Mojave National Preserve Inholdings	2
	California	Yosemite National Park—Hazel Green Property	1.2
	Texas	Big Thicket National Preserve	6
NPS/FWS	Colorado	Baca Ranch/Great Sand Dunes	12

TABLE B.—RECOMMENDED FOREST LEGACY PROJECTS FOR FISCAL YEAR 2004

[In millions of dollars]

State	Project name	Fiscal year 2004 funding request
Maine	Boundary Mountains to Nahmakanta	5
	Katahdin Forest	8
	Machias River	2
	Tumbledown Mtn./Mt. Blue/Bald Mtn.	4.3
New Hampshire	13-Mile Woods	2
New York	Moose River Corridor	2
	Sable Highlands-Domtar	5
	Tahawus-National Lead	3.5
Vermont	Chittenden County Uplands	4.15
	Mallory Brook	0.25
	Northeast Kingdom IP Realty Lands	1.5

PREPARED STATEMENT OF THE ANZA-BORREGO FOUNDATION

The Anza-Borrego Foundation thanks you for this opportunity to provide recommendations and comments on the fiscal year 2004 Department of the Interior and Related Agencies Appropriations bill. On behalf of the more than 1,000 members and supporters of the Anza-Borrego Foundation, an organization dedicated to the acquisition of lands for Anza-Borrego Desert State Park, the largest contiguous state park in the nature, I provide below our fiscal year 2004 funding recommendations for the Land and Water Conservation Fund projects and the Conservation Trust Fund.

Our top priorities include:

—Support of the allocation of $450 million to the federal LWCF land acquisition program in fiscal year 2004.

—Support of funding the Conservation Trust Fund (commonly known as CARA "Lite" or the Conservation Spending Category) at its dedicated amount of $2.08 billion in fiscal year 2004.

—We specifically recommend $4 million for the Bureau of Land Management to fund the California Desert Wilderness Inholdings and Mojave National Preserve Inholdings federal LWCF projects. (Please see below.)

The Anza-Borrego Foundation (ABF) is a small regional land trust that acquires land through donation or purchase from willing sellers that benefits Anza-Borrego Desert State Park. ABF was first organized in 1967 at the request of the California State Parks Commission to deal with the issue of nearly 60,000 acres of inholdings in the 600,000-acre Anza-Borrego Desert State Park. In our 36 years of business, this small but mighty foundation has acquired and transferred to the Park over 30,000 acres of inholdings and significant park resource lands.

ABF and the Anza-Borrego Desert State Park have benefited from major funding from the stateside LWCF. In 2001, with the help of ABF, the Park acquired 2,675 acres of the Lucky 5 Ranch. This acquisition links two state parks, Rancho Cuyamaca State Park and Anza-Borrego Desert State Park, thus creating a vital wildlife corridor between these two publicly held lands. Currently California State Parks is seeking additional stateside LWCF funding for the acquisition of 3,339 acres of the Vallecito Ranch. Here again, this acquisition will link BLM lands to the south with existing state park land to the north. Both of these acquisitions possess untold natural and cultural resources including prime habitat for the federally listed endangered Peninsular bighorn sheep.

Although our Foundation's focus in land acquisition is local in scope and while this particular park has benefited only from the stateside LWCF sources, the Anza-Borrego Foundation actively participates as a partner in the broader land trust movement to protect California's deserts. We enthusiastically support the need to fully fund the federal LWCF to benefit the following California projects.

California Desert Wilderness Inholdings.—$2 million.

In southern California, the BLM Desert District manages 65 individual wilderness areas throughout the California desert. These areas are as large as 200,000 acres and as small as 1,500 acres. Landscapes vary between ecosystems, ranging from mountainous high-altitude desert to lowland dry lakes and expansive sand dunes. The designated wilderness areas provide habitat to numerous species including bighorn sheep, bobcats, mountain lions, wild burros, gray foxes, fringe-toed lizards and the threatened desert tortoise. The Kingston Range Wilderness, home to the Banded Gila monster, is one of only five places in the world where this critter exists.

Hundreds of land acquisition opportunities exist among the 65 wilderness areas the BLM manages. Due to the numerous important ecosystems and habitats of these areas, the BLM would like an annual appropriation of $2,000,000 to purchase critical inholdings. For every $1,000,000 allocated, 1,500 acres of land can be acquired and protected. New opportunities arise each year as landowners place their property on the market. Some properties have more urgent funding needs and some properties are of greater ecological significance. With an annual funding allocation for critical inholdings, the BLM will be able to acquire and protect the most sensitive lands in the wilderness areas each year.

Mojave National Preserve Inholdings.—$2 million.

The Mojave National Preserve, managed by the National Park Service, is a diverse ecosystem that contains sand dunes, Joshua tree forests, desert washes, dry lakes, and mile-high mountains. The landscape provides habitat to a wide variety of animals including bighorn sheep, coyotes, iguanas, wild burros, and the threatened desert tortoise. Numerous private inholdings exist within the National Preserve, some of which have proposed development by the owners in the past. As these inholdings become available for purchase it is essential that they be acquired for preservation to prevent development and critical habitat loss. The purchase of crit-

ical inholdings within the Mojave National Preserve is an ongoing project and we request funding of $2,000,000 for fiscal year 2004. Funding will be used to secure the most urgent properties first.

In conclusion, as an organization that was formed exclusively to acquire park inholdings, the Anza-Borrego Foundation is vitally aware of the significance of acquiring these inholdings to make "whole" these vital publicly owned lands. We, therefore, support and recommend the allocations of $450 million for federal LWCF land acquisition, and $2.08 billion for the Conservation Trust Fund and, specifically $4 million for the projects identified above.

Thank you.

DEPARTMENT OF AGRICULTURE

PREPARED STATEMENT OF THE AMERICAN FOREST AND PAPER ASSOCIATION

he American Forest and Paper Association (AF&PA)[1] supports sustainable forest management on all forest lands. Principles such as active management, long-term forest health and sustainability, and local level decision-making are vital components of AF&PA's New Federal Forestry policy. Federally supported research and forest health programs are vital to achieving sustainable management on private forests. AF&PA supports Forest Service and Energy programs that will help achieve these objectives.

Congress should address the nation's forest health crisis through support for Hazardous Fuels Reduction, Forest Health Management, and Forest Health Research Initiatives. AF&PA considers the Forest Products program a vital means of promoting forest health and providing a stable supply of fiber for society. Priority research efforts include FIA; Forest Products, Utilization, and Process; Biobased Products and Bioenergy; Industries of the Future; and Systems Integration & Production Industrial Gasification programs. Following are specific funding level and program recommendations for fiscal year 2004:

ENSURING LONG-TERM FOREST HEALTH AND SUSTAINABILITY

Our nation's forestlands face a forest health crisis. Millions of acres of public and adjacent private forestland are at high risk to catastrophic wildfire, insect infestation, or disease. The President's Healthy Forests Initiative (HFI), building on the National Fire Plan, will help reduce these threats and restore the health of our nation's forests. The fiscal year 2004 budget needs to support these programs to improve forest health, reduce hazardous fuels, improve fire suppression efforts, and assist rural communities. Specifically, support is needed for:

Hazardous Fuels Reduction.—AF&PA recommends $262.100 million for this program. Increased funding is needed for hazardous fuels reduction in order to protect resource values such as fish, wildlife, and water. There are significant treatment needs in all areas of the country and in all three condition classes. Regional allocations need to reflect these nationwide priorities.

Rehabilitation and Restoration.—Rehabilitation and restoration work is critically important, and requires a dedicated funding source. AF&PA has serious concerns with the Forest Service's proposal to shift funds from other programs, as this will adversely affect other important work. Projects within this budget should focus on protecting soil and water quality.

Fire Suppression Operations.—Congress needs to promptly resolve the chronic problem of fire suppression costs exceeding available funds. While the President's request of $604.580 million for fiscal year 2004 is a significant increase over the fiscal year 2003 budget of $417.964 million, it will prove to be insufficient if the nation experiences a future fire season like the ones in 2000 and 2002.

Wildlife and Fisheries Habitat Management.—AF&PA supports the President's request of $134.794 million for this program, and seeks to ensure that important wildlife habitat and conservation programs are undertaken. The drawdown in the Knutson-Vandenberg (KV) fund to pay for wildfire suppression costs has a major impact on this and other programs. Approximately $170 million was borrowed from the KV Fund during the 2002 fire season; the Fund is now still owed a total of $433 million. Failure to completely repay the KV Fund diminishes implementation of

---

[1] AF&PA is the national trade association of the forest, pulp, paperboard, and wood products industry. AF&PA represents approximately 200 member companies and related trade associations (whose memberships are in the thousands) which grow, harvest, and process wood and wood fiber; manufacture pulp, paper, and paperboard products from both virgin and recovered fiber; and produce solid wood products.

much-needed wildlife habitat, reforestation, TSI, and other conservation projects. In some regions, this adversely impacts non-essential KV projects, such as fish and wildlife programs that are already underfunded.

Vegetation and Watershed Management.—AF&PA supports the President's request of $192.606 million for this program. This program should address the significant reforestation backlog, currently estimated at 838,066 acres. Reforestation accomplishments have steadily decreased while reforestation needs have increased since 1999 primarily due to wildfires.

Forest Health Management.—AF&PA supports the President's request of $82.019 million for the overall Forest Health Management budget, but recommends an allocation of $44.963 million for Federal Lands and $37.056 million for Cooperative Lands. It is vitally important that programs to treat insects and disease be fully funded in order to protect both federal and adjacent private forests. AF&PA supports the concept behind the Emerging Pest and Pathogens Fund, but recommends greater flexibility to address the forest health crisis. Pest suppression funds should not be limited to new pests or pathogens as proposed by the Administration.

State Fire Assistance.—AF&PA recommends $58 million for the program under the "Wildland Fire Management, Fire Operations—Other" budget area, and $28 million under the "State and Private Forestry, Cooperative Fire Assistance" budget area. AF&PA supports these increases to provide States and communities with increased technical, financial, and strategic assistance to reduce hazardous fuels and enhance their capacity to implement fire protection activities.

Watershed Forestry Assistance.—AF&PA supports the development of a new Watershed Forestry Assistance program, funded at $20 million. This program would assist States in monitoring Best Management Practices and would promote the beneficial relationship between good forest management and water quality.

Community and Private Land Fire Assistance (CPLFA).—AF&PA recommends $15 million for this program, which is designed to aid landowners and communities in the prevention, preparation, and response to wildfire threats in the wildland-urban interface. This program directly supports the objectives of the National Fire Plan.

ACTIVE FOREST MANAGEMENT

Active forest management is needed to ensure that the agency meets legislative mandates of promoting forest health and providing a stable supply of fiber for society. If the agency is to address urgent forest health needs and meet its responsibilities, funds must be provided for:

Forest Products.—AF&PA recommends an increase to the total volume sold, to 3.0 BBF, and funding of $404 million to support this program. Timber sales can be an important tool to achieve forest health objectives. Furthermore, the timber program is one of the few Forest Service programs that generates revenue. The Forest Service expects to achieve greater program efficiencies as a result of administrative actions now under consideration; increased timber volume is likely to result. Salvage sales are an important component of the timber sale program as a means to treat forests following insect outbreaks, fires, blow down, and other natural disasters. The Salvage Sale Fund balance is so low, however, that Forests are unable to take advantage of salvage opportunities. This fund is normally replenished with proceeds from salvage sales; however, Congress should appropriate funding to rebuild the capacity of this fund. AF&PA also recommends an increase in timber sale pipeline funding sufficient to provide for one-half of a year's program in the pipeline (1.2 BBF by the end of fiscal year 2004). Additionally, AF&PA recommends that the accomplishment measurement be changed from volume offered to volume sold.

Land Management Planning.—AF&PA supports the President's request of $70.868 million and urges the agency to expedite forest plan revisions in order to stay on schedule and to ensure consistent and reliable management. Revision of older plans is a high priority and it is critical that these funds not be diverted for other planning purposes.

Deferred Maintenance and Infrastructure Improvement.—AF&PA concurs with the findings of the Program Assessment Rating Tool, which highlighted significant problems with strategic planning regarding deferred roads maintenance. Congress should require the Forest Service to develop a prioritization system and complete a backlog analysis within one year.

RESEARCH

Research helps find innovative ways to promote and enhance forest sustainability and provides scientifically sound data that benefits both public and private forests. Congressional support is needed for:

Forest Inventory and Analysis (FIA).—AF&PA recommends $67.691 million for FIA, which is the target funding for fiscal year 2004 required to deliver the base federal FIA program. Funding for this program should include $14.8 million for State and Private Forestry, $6.2 million for National Forest System, and $46.691 million for Forest and Rangeland Research. FIA provides the forestry community with timely and comprehensive forest data needed to make resource allocation decisions. The President's request for fiscal year 2004 would severely hamper the program. The Forest Service should analyze the collected data annually in a consortium with State Foresters, universities, and other stakeholders, and make this data available through annual reports.

Forest Products, Utilization, and Process.—AF&PA recommends $18.005 million for the program and suggests that the increase over the agency's request be allocated to the Forest Products Lab for the Building Durability Test Facility ($2.5 million), the Coalition for Advanced Housing Research ($885,000) and core functions ($1 million). To help promote forest sustainability, the Forest Products Lab and experiment stations conduct research focusing on the efficient and effective use of wood fiber. Unfortunately, funding for this research has suffered from steady erosion in budget over the last several years. Support is needed for the core functions of the research stations to address issues such as the use of small diameter wood and bioenergy production, and for the construction and operation of a Building Durability Test Facility at the Forest Products Lab to address mold and moisture issues. Funding is also needed for the Coalition for Advanced Housing Research for research on damage mitigation from natural disasters like floods, earthquakes and hurricanes.

Biobased Products and Bioenergy.—AF&PA recommends $10 million for biobased products and bioenergy research, of which $1 million should be specifically appropriated for Agenda 2020. Biobased Products and Bioenergy research is needed to improve forest utilization, reduce U.S. reliance on oil, and reduce greenhouse gas emissions. Agenda 2020 plays a vital role in improving forest productivity; developing new bio-energy technologies with superior environmental performance; encouraging research in new forest-based materials and biobased products; and innovating new technologies for wood and wood composite materials.

Forest Health Research Initiatives.—AF&PA supports the President's proposed increases to the Forest Service Research and Rangeland Research budget for new science and technologies, including the research targeted at invasive species and the Healthy Forests Initiative. AF&PA looks forward to working with Congress to identify priority research needs.

Industries of the Future.—The forest product industry's Agenda 2020 program has a proven track record for pre-competitive R&D. Working with National Labs, universities, and private sector concerns, the Agenda 2020 program undertakes research to improve the energy efficiencies of the wood and paper products sectors. Unfortunately, the Administration has proposed a 54 percent reduction in this program. We strongly urge the committee to fund these programs at a continuing level of $10.5 million for fiscal year 2004.

Systems Integration & Production Industrial Gasification.—The forest products industry is engaged in the fifth year of a pre-competitive research program with DOE to develop power generation by gasifying pulping liquor and wood residuals. This new technology has the potential to produce a net 22 gigawatts of power from a renewable fuel source, displacing as much as 100 million barrels of oil per year. The DOE budget stops this research program mid-stream. AF&PA recommends that this funding level be restored to the fiscal year 2003 level of $14.68 million.

CONCLUSION

AF&PA appreciates the chance to provide the Subcommittee with testimony regarding fiscal year 2004 appropriations for the Forest Service. If implemented, the funding levels proposed for the programs listed above will help promote sustainable management and forest health on public and private lands.

PREPARED STATEMENT OF THE AMERICAN SPORTFISHING ASSOCIATION

The American Sportfishing Association (ASA) recommends the following as the Subcommittee considers appropriations for fiscal year 2004. The American Sportfishing Association is a non-profit trade association whose 555 members include fishing tackle manufacturers, sport fishing retailers, boat builders, state fish and wildlife agencies, and the outdoor media.

The ASA makes these recommendations on the basis of briefings with agency staff and from years of experience with fisheries management in this Nation. It is impor-

tant to note that sportfishing provides $116 billion in economic output to the economy of the United States each year.

Forest Service

The American Sportfishing Association strongly objects to the Forest Service budget structure as it relates to fisheries. Fusion of budget line items make it impossible to track specific expenditures and does not promote accountability to industry and state partners, the public, or Congress. ASA recommends the budget return to individual line items for each of the following areas: (1) fish; (2) wildlife; (3) vegetation; (4) and threatened and endangered species habitat management.

ASA supports the proposed fiscal year 2004 budget of $134.8 million for Wildlife and Fisheries Habitat Management Program, but is concerned that this represents no real dollar increase for fiscal year 2004.

Given a healthy fishery resource, recreational anglers and others in local communities depend on forest roads to access fishing and other related recreational areas. Many of these roads and bridges are deteriorating or unsafe, requiring maintenance to keep them usable and assure they do not contribute to poor water quality. The ASA supports the increase in the fiscal year 2004 budget for the roads, trails, and facilities program but requests an additional $50 million in funding for fiscal year 2004. The Forest Service has a $10 billion road maintenance backlog. If this backlog were eliminated, annual road maintenance needs would continue to be a minimum of $152 million annually.

National Park Service

The ASA supports the President's requested funding of $12.0 million for the Cooperative Conservation Initiative (CCI) under the Challenge Cost Share program. This initiative's goals to restore, conserve, and enhance natural resources is vital to ensuring quality and longevity of parks natural resources. In addition, we support the $10 million funding level for the traditional Land and Water Conservation Fund, but recommend the funds are dispersed through consultation with the states.

The Natural Resources Challenge, a program intended to protect native species and habitat through resource management and performance measures, has yet to provide evidence of success. Without proper evidence that this program is accomplishing the original set of goals and objectives, the American Sportfishing Association cannot support funding of the National Resource Challenge program. Until a clear status of proposals can be presented and specific natural resources information needs are determined we no longer support funding.

The ASA is concerned with the structure and use of Cooperative Ecosystem Studies Units (CESU). The Biological Resources Division (BRD) of USGS is the primary research arm of the Department of the Interior and the CESUs create competition between these research unit systems. As we understand it, the CESUs purpose is to coordinate and complete research for the Park Service with other federal and state agencies in areas adjacent to national parks. CESU's activities lead to a duplication of expenditures and efforts from federal and state agencies when research projects are competing for the same government funding. The ASA urges Congress to strictly define the need for CESUs and express the difference between these study units and the longstanding efforts of the BRD Cooperative Fish and Wildlife Research Units of USGS. Unless a distinction can be made, the monies for this program should be transferred from the CESUs to the Biological Resources Division.

Bureau of Land Management (BLM)

The BLM manages 117,000 miles of fishable streams, 17,000 miles of anadromous fish habitat, and 3 million acres of fishable lakes and reservoirs which provide recreational anglers with high quality fishing opportunities, generating $390 million annually in economic benefits. In order to manage these resources, the Administration is requesting $11.87 million in fiscal year 2004 for Fisheries Management. This represents a program increase of $200,000 from the fiscal year 2003 enacted budget, but remains $250,000 below the fiscal year 2002 enacted budget. The ASA strongly encourages Congress to increase BLM's fisheries budget by an additional $1 million.

The ASA is extremely concerned that at current staffing levels, the Bureau's staff will be unable to meet its statutory requirements. A recent workforce evaluation showed that with its current level of staffing in fisheries, the BLM is staffed at only 50 percent of its 1993 identified needs. Nowhere in the fiscal year 2004 budget request are these staffing deficiencies addressed. Already, approximately 30 percent of existing wildlife and fisheries staff time is being directed to energy-related functions. The ASA strongly supports hiring additional fish and wildlife staff to address these critical program areas in the context of addressing the Nation's Energy Policy, but recommends these positions be directly funded from the energy account, rather

than extracted from the existing base Wildlife Management, Fisheries Management or Threatened or Endangered Species Program budgets.

The BLM manages over 23 million acres of land classified as riparian or wetland. These areas provide vital habitat components for hundreds of fish and wildlife species, filter sediment from water, afford greater water storage capacity, dissipate flood waters and offer excellent recreational opportunities. For these reasons and more, the ASA supports BLM efforts in riparian areas, but remains concerned that the requested $21.97 million is insufficient to meet all of the identified needs. The ASA requests that Congress add $3 million to this riparian program, and urges BLM to continue its coordination with State fish and wildlife agencies in order to achieve optimal program results.

The ASA understands the fiscal year 2004 budget request for BLM includes $1 million to conduct long-term, large-scale, "cumulative effects" resource monitoring. We support this effort and the manner in which these fiscal resources are included in the appropriate programs including wildlife management; fisheries management; soil, air and water; and cultural resources. Conversely, BLM is proposing $500,000 to expand resource monitoring to increase its ability to assess the cumulative impact of oil and gas development, especially on cultural resources and species-at-risk. This effort is targeted at states where coalbed natural gas development is occurring. However in this instance, the funding is contained in the oil and gas account. The ASA supports this monitoring, but recommends the fiscal resources to conduct this work be allocated within the appropriate program area budget where biological and cultural resource expertise exists.

Fish and Wildlife Service

The American Sportfishing Association is pleased with the overall requested increases for the fiscal year 2004 budget. Despite these increases, there are several reductions that will cut necessary programs and further delay conservation efforts.

The North American Wetlands Conservation Act (NAWCA) is a cooperative program that matches at least 1:1 in non-federal funds, is incentive based and is one of the most successful programs for restoring wetlands for fish and wildlife habitat. With more than 2,000 partners including communities, governments, nonprofit organizations, States, and academia involved in this program, the ASA strongly urges Congress to appropriate the full $55 million as authorized for 2004.

The ASA is pleased with the requested increase of $25.2 million for operations and maintenance of the National Wildlife Refuge System. With a maintenance backlog of $663 million this funding can only begin to address the needs for maximum operation of the Service's refuges. The ASA also recommends continued support of the Cooperative Alliance for Refuge Enhancement (CARE) recommendations for eliminating the backlog of the Refuge Operations and Maintenance by recommending future budget requests.

The ASA is pleased with the increase in funding for the Fisheries Program's "Vision for the Future" developed by partners and States. The ASA supports the Presidents request for $103.6 million for this program, which is an increase of $9.0 million from fiscal year 2003. Although we support this increase there are certain factors within the Fisheries Program with which the ASA is concerned. We support an increase of $5.0 million for hatchery operations, but a significant hatchery purpose is to produce fish for mitigation and funding for this is absent from the proposal. There is a statutory responsibility to produce fish as mitigation for Federal water projects. In support of the Sport Fishing and Boating Partnership Council's recommendations for the Service's Fisheries Program, the ASA urges Congress to provide an additional $5.0 million for the Federal fishery mitigation programs conducted by the Service.

The ASA supports the proposed increase of $3.0 million for hatchery maintenance repairs and improvements on aging infrastructures. However, the ASA is concerned about the $300 million backlog of hatchery maintenance. We urge Congress to allocate an additional $7.0 million to hatchery maintenance for the fiscal year 2004 budget, and we ask Congress to support the President's additional request of $1.0 million to combat aquatic nuisance species.

The American Sportfishing Association urges Congress to support Fisheries Program efforts to restore fish passage for important recreational fisheries. This can be accomplished by Congress appropriating an additional $3.0 million for elimination of barriers to allow fish passage and fish migration nationwide. This program is critical to the health of our nations waters and to keep fish habitat as close to its natural state as possible.

The ASA is concerned for the continuation of the Connecticut River Atlantic Salmon Commission Migratory Fish Restoration Program's efforts to restore migratory fish in the four state basin of Connecticut, Massachusetts, New Hampshire, and

Vermont. The ASA requests an additional $770,000 to the Fish and Wildlife Service for this program.

The Partners for Fish and Wildlife Program has worked with 28,700 private landowners in restoration efforts for over 1,790,220 acres across the United States. The ASA supports the President's increase of $9.6 million, but asks Congress to add an additional $4.0 million to enhance the Coastal program which has also made significant improvements to wetlands and fishery habitats.

One important aspect of the Service is to control invasive non-native species. This program needs to be a priority within the Service. The ASA recommends an additional $10 million for the Service's invasive species control programs. This problem is not only domestic but also international and requires additional funding to ensure the survival of native species.

No single agency has the responsibility to obtain the Food and Drug Administration's approval for aquatic drugs and chemicals necessary to run federal, state and private hatcheries. To meet this critical need, the ASA urges Congress to make available $450,000 in new funds to be added to the Service's Aquatic Animal Drug Approval Partnership program. This program would complete this important process that state fish and wildlife agencies have already provided substantial funding.

PREPARED STATEMENT OF THE APPALACHIAN MOUNTAIN CLUB

On behalf of the Appalachian Mountain Club's 90,000 members, thank you for the opportunity to provide comments on the fiscal year 2004 Interior Appropriations Bill. Founded in 1876, the AMC is America's oldest conservation and recreation organization, with chapters from Maine to Washington D.C. AMC is dedicated to protecting critical resources throughout our region, including the Northern Forest and the Central Appalachian Highlands. In addition, our staff and volunteers contribute countless hours to provide safe outdoor recreation opportunities for the public in places like the White Mountain National Forest, Acadia National Park, the Delaware Water Gap National Recreation Area, and the Appalachian Trail, not to mention many state parks and forests. As you will see by our priorities below, we place a premium on those programs that foster partnerships and leverage the substantial local, state, and private efforts in our region.

On behalf of the Appalachian Mountain Club I am submitting testimony in strong support of:

—An increase in funding for the Forest Legacy Program to at least $150 million,
—Full funding ($900 million) of the state and federal components of the Land and Water Conservation Fund,
—Full funding ($2.08 billion) for the Conservation Trust Fund (Title VIII),
—An increase in funding to the Rivers and Trails Conservation Assistance Program to $15 million, and
—Priority consideration to projects in the Northern Forest and Central Appalachian Highlands.

REGIONAL PRIORITIES

The Northern Forest

Encompassing 26 million acres across Maine, New Hampshire, Vermont and New York, the Northern Forest is the largest contiguous forest area east of the Mississippi. Its rugged mountains, legendary rivers, extensive array of lakes and ponds, and endless woodlands lie within a day's drive of 70 million people. The forest's capacity to grow quality timber for high-value manufacturing; to lure visitors with breathtaking displays of natural beauty; and to showcase a rich cultural and historical tradition are the cornerstones on which to build a robust regional economy.

In response to growing anxieties about development, land stewardship, traditional access, and community sustainability, local businesses and community leaders, elected officials, and conservation organizations are working together to protect the important places and traditional values in the Northern Forest. Private initiative has been tremendous. In the last ten years, the region has witnessed some of America's most exciting and innovative conservation partnerships, protecting more than 2.4 million acres through a combination of state, federal, local and private investments of $301 million. Our job in this region is not done, and for fiscal year 2004, $38 million in needs from the Forest Legacy Program have been identified.

Central Appalachian Highlands

The AMC also supports efforts to protect the critical treasures of the Central Appalachian Highlands of New York, New Jersey, Pennsylvania and Connecticut. This surprising region of beauty, water and life lies within a two hour drive of 20 million

people and supplies quality drinking water to over 11 million residents of the New York metropolitan area. The Highlands provide abundant outdoor recreation opportunities and critical wildlife habitat in one of the most densely populated regions of the country.

The recent release of the U.S. Forest Service report on the Highlands confirmed what locals have long understood: these water-rich forests are the lifeblood of our region, and they will be lost soon without further land conservation. The report reaffirms the "national significance" and threatened nature of the Highlands region, including the loss of over 5,000 acres of open space annually. The report identified 100,000 acres of high-value conservation lands that are imminently threatened by development in the NY–NJ Highlands. Given the pace of development and high cost of land in the Highlands, a significant federal investment and partnership in the region is needed to secure its future. The Highlands Coalition has identified nearly $16 million in funding needs through the Forest Legacy Program in fiscal year 2004 in the NY & NJ Highlands alone. Full funding of the Land & Water Conservation Fund's state and federal programs would provide an additional source of funding. As federal land units are scarce in the Highlands region, we also support innovative conservation partnerships between the states and federal government, building upon the successful model to preserve Sterling Forest in New York.

PROGRAM PRIORITIES

Forest Legacy Program (FLP)—$150 million

With the program on a track to serve as many as 43 states within a year, the rest of the country is quickly finding out what the Northeast has known for decades: that the Forest Legacy Program is an excellent tool for leveraging federal, state, local, and private resources. States have a chance to opt into the program, and every project requires at least a 25 percent match. Private landowners are comfortable with the program's market-based approach; in fact, Forest Legacy easements give landowners the support they need to continue traditional uses of the land, including forestry. At the same time, the public enjoys the many benefits that Forest Legacy promotes, including scenic beauty, clean water, outdoor recreation and wildlife. Because of the program's impressive track record of creating win-win conservation solutions, this committee has steadily increased Forest Legacy funding to $68.3 million in fiscal year 2003. In light of the overwhelming and expanding demand for this program, the AMC strongly encourages this committee to continue the momentum behind Forest Legacy by raising the funding level in fiscal year 2004 to at least $150 million.

Forest Legacy Project Requests

—Machias River, Maine—$2 million
—Tumbledown/Mt. Blue, Maine—$4.3 million
—Katahdin Forest, Maine—$8 million
—Boundary Mountains to Nahmakanta, Maine—$5 million
—Pillsbury-Sunapee, New Hampshire—$2.5 million
—Thirteeen Mile Woods II, New Hampshire—$1.2 million
—Moose Mountain, New Hampshire—$1 million
—Trout Pond, New Hampshire—$1 million
—Chittenden County Uplands, Vermont—$4.15 million
—Monadnock Mtn./Victory Basin, Vermont—$1.5 million
—Mallory Brook, Vermont—$250,000
—Sable Highlands, New York—$5 million
—Moose River Corridor, New York—$2 million
—Tehawus-National Lead, New York—$3.5 million
—Highlands/Taconics region (including Pochuck Mountain and Torne Valley), New York—$8 million
—Upper Delaware River Watershed, New Jersey—$8 million

Land and Water Conservation Fund (LWCF)—$900 million

As our nation's conservation cornerstone, LWCF is critical to the future of many places that Americans treasure. From playgrounds and ball fields, to biking paths and hiking trails, national parks, refuges and forests, LWCF has been the key to providing places for all Americans to recreate and get outdoors. Since its inception, LWCF has helped communities acquire nearly seven million acres of parkland, water resources, and open space. We strongly urge the subcommittee to fully fund LWCF at $900 million in fiscal year 2004.

1Conservation Trust Fund—$2.8 billion

At the close of the 106th Congress, the Interior Appropriations Subcommittee established the Conservation Trust Fund (Title VIII). Through an amendment to the Balanced Budget and Emergency Deficit Control Act of 1985, the new fund was fenced off in a separate "conservation spending" budget category that set aside a total of $12 billion in increased funding over a six-year period. The Conservation Trust Fund is still subject to annual appropriations. We applaud the creation of this budget category and ask that you honor this commitment by providing the full level of $2.08 billion for the Conservation Trust Fund in fiscal year 2004.

Rivers, Trails, and Conservation Assistance Program (RTCA)—$15 million

Through technical assistance to build trails, restore rivers, and establish open space, RTCA fosters walkable communities for healthier lifestyles. RTCA, one of the National Park Service's smallest programs, delivers enormous returns by building partnerships between state and local interests and strengthening communities. RTCA has been recognized by the Center for Disease Control and Prevention as an effective program for improving community health by increasing the opportunities for readily available opportunities for outdoor physical activities. For fiscal year 2004, we urge you to increase funding for this innovative program to $15 million.

In Conclusion

Mr. Chairman, as we look forward, we are faced with an historic opportunity to conserve places of extraordinary natural and public value. To successfully meet this challenge, conservation solutions will depend on creative partnerships between government, businesses and the non-profit community. Federal funds, leadership and expertise are critical components of this partnership. We urge Congress to continue to take up this challenge of working with the people of the Appalachian region to protect its irreplaceable resources. On behalf of the Appalachian Mountain Club, I would like to thank the chairman and members of the subcommittee for considering our request.

PREPARED STATEMENT OF THE APPALACHIAN TRAIL CONFERENCE

I am writing, in behalf of the Appalachian Trail Conference, to request the Subcommittee's consideration of an fiscal year 2004 appropriation from the Land and Water Conservation Fund in an amount totaling $8.3 million for three separate line items for the USDA Forest Service—a "Georgia Mountains" project ($1 million), a "Tennessee Mountains" project ($5.3 million), and a "Virginia Mountains" project ($2 million). Each of those project areas includes parcels relevant to the Appalachian National Scenic Trail. In the case of the Tennessee Mountains project and the Virginia Mountains project, the request also includes other parcels that, while not proximate to the Appalachian Trail, nevertheless represent critical in-holdings within the proclamation boundaries of the affected forests (Cherokee and George Washington/Jefferson, respectively). Permit me to further describe the basis for our request.

The Appalachian Trail was initially established between 1923 and 1937 and has been maintained as a continuous long-distance footpath since that time. In 1968, with the passage of the National Trails System Act, the Appalachian Trail was designated as the nation's first national scenic trail. The act also authorized state and federal land acquisition to establish a permanent route and protective corridor or greenway along the 14-state, 2,171-mile route of the trail. Since 1978, with strong bipartisan support within the Congress, the two affected federal agencies—the National Park Service and the USDA Forest Service—have made remarkable progress in their respective Appalachian Trail land-acquisition programs. Indeed, those programs are now 99-percent complete. In the case of the National Park Service, the agency has acquired more than 108,200 acres of land, affecting more than 2,600 parcels in eleven states, and has protected more than 618 miles of the footpath. In the case of the USDA Forest Service, the agency has acquired more than 55,890 acres, affecting more than 675 parcels in the eight national forests crossed by the trail, and protected 149 miles of the footpath. Together, those programs represent perhaps the most successful land-acquisition programs in the history of those two agencies.

At this point in the evolution of those two programs, our expectation is that the National Park Service will complete its program, possibly by the end of this fiscal year, with prior-year appropriations. However, in the case of the Forest Service, indications are that additional appropriations will be necessary to complete that agency's Appalachian Trail land-acquisition inventory, which includes about 70 parcels, affecting about 4,000 acres and about five miles of the footpath in the states of

Georgia, North Carolina, Tennessee, and Virginia. In those states, the agency has been impacted by significant escalation in land values, particularly in the past five years. As a result, our current best estimate of funding requirements to complete the Appalachian Trail program is approximately $5.5 million. Slightly more than one-half ($3 million) of that remaining need is reflected in the above-referenced request for fiscal year 2004.

Georgia Mountains Project ($1 million).—We are requesting an fiscal year 2004 appropriation of $1 million for the so-called Springer Mountain (Glover/Little) parcel in the Chattahoochee National Forest. This request is consistent with the Administration's fiscal year 2004 budget request and represents a second-phase acquisition, building on an earlier appropriation in fiscal year 2003, for acquisition of this key in-holding in that forest. That tract is a highly scenic parcel in the foreground vista of Springer Mountain, the southern terminus of the Appalachian Trail and the jumping-off point for thousands of would-be "thru-hikers" who, each year, set out to hike the full length of the Appalachian Trail in one season. Due to estate issues, our understanding is that the parcel must be acquired this year.

Tennessee Mountains Project ($5.3 million).—Our request includes a second-phase acquisition of approximately 3,400 acres of the so-called Rocky Fork tract—a 10,000-acre in-holding in the Cherokee National Forest. The first-phase acquisition benefited from an appropriation in fiscal year 2003 and will affect about 1.5 miles of the Appalachian Trail. The Administration's fiscal year 2004 budget request includes $3.5 million for the second-phase Rocky Fork acquisition. However, the Appalachian Trail Conference is requesting additional appropriations in order to permit other acquisitions in the forest, including several key in-holdings—affecting approximately 250 acres ($325,000)—in the Highlands of Roan area, as well as nine in-holdings—affecting approximately 450 acres ($1 million)—along the 220-mile route of the Appalachian Trail through that forest.

Virginia Mountains Project ($2 million).—Our request for the two Virginia forests (Jefferson and George Washington) includes several components. One-half of the request ($1 million) is for the acquisition on an opportunity, willing-seller basis, of as many as nine parcels, affecting approximately 800 acres, that border the Appalachian Trail. The balance of the request would provide, again on an opportunity/willing-seller basis, for the acquisition of in-holding parcels in three areas of the Jefferson National Forest: the Mount Rogers National Recreation Area, a number of parcels bordering the Pine Mountain Trail near the Virginia/Kentucky border, and the so-called Rocky Hollow Cave property, which provides critical habitat for the endangered Indiana bat. Although the estimate costs for land acquisition related to those three areas exceeds $2 million, we are requesting only one-half that amount in fiscal year 2004.

More detailed descriptions of the three project areas are provided in separate attachments.

The Appalachian Trail Conference is a private, nonprofit, educational organization established in 1925 to coordinate the design, construction, and maintenance of the Appalachian Trail, to conserve adjacent lands, and to provide educational opportunities for trail visitors who now number in the millions each year. The Conference has a membership of 33,000 individuals and also serves as a federation of 31 affiliated hiking and outing clubs throughout the eastern United States that maintain an assigned segment of the Appalachian Trail. In fiscal year 2002, more than 4,700 citizen volunteers from those clubs contributed more than 184,000 hours toward the construction and maintenance of the trail footpath, its system of overnight shelters and campsites, and in education and outreach to its visitors.

Thank you for considering our fiscal year 2004 appropriations request and for the steadfast support of the Subcommittee over many years.

Attachments

VIRGINIA MOUNTAINS

State: Virginia
Region/Forest: Region 8, George Washington and Jefferson National Forests
Congressional District/Representatives:
6th District, Rep. Goodlatte
9th District, Rep. Boucher
Senators Allen and Warner

APPROPRIATION HISTORY

Appropriations received: 1989–2002	[1] $4,321,179

APPROPRIATION HISTORY—Continued

Purchased through fiscal year 2002: Acres	6,209
Appropriated 2003	.....
2004 Administration request	.....
2004 Conservation request	$2,000,000
Acres	1,650

[1] Dollar amount indicated in appropriations history for the Forest includes reprogrammed money and money received from the Emergency Inholding appropriation

The proposed fiscal year 2004 appropriation is intended to address on an opportunity-purchase basis a number of land-acquisition needs in the Mount Rogers National Recreation Area, as well as for protection of endangered species habitat at Rocky Hollow Cave, and right-of-way needs for the Pine Mountain Trail through the Jefferson National Forest. Although those needs exceed the $1 million requested, an appropriation in that amount should permit acquisition of key tracts in any and perhaps all of those areas. An additional $1 million is requested to acquire tracts for the Applachian National Scenic Trail corridor across the George Washington and Jefferson National Forests.

Mount Rogers National Recreation Area ($1,000,000).—Six parcels, with an estimated value of $1,083,000, have been identified as high-priority acquisitions within the Mt. Rogers NRA. The Mount Rogers National Recreation Area is of exceptional biological interest because of the number of organisms that occur nowhere else in the state, most of them associated with elevations above 4,000 feet. Some represent northern forms that extend southward along the higher elevations of the Appalachians, but the majority are species endemic to the southern Appalachians that extend no farther than Mount Rogers.

Acquisition of the tracts would result in protection of views in the NRA, securing endangered species habitat, provide for continued and expanded recreational use in the Mt. Rogers area, and improve visitor access. The properties would also improve Forest Service management by decreasing boundary maintenance, reducing the potential for encroachments, and by consolidating ownership.

These acquisitions are of national concern because of the use that the Mount Rogers NRA is receiving. The NRA is within a day's drive of more than 100 million people. Last year, it is estimated that more than one million people visited the NRA. Equestrian use, mountain biking, angling, and hiking are very popular, but concentration of these uses promotes overcrowding and resource damage. The acquisition of these tracts would enable completion of additional trail systems to spread the visitor use over a larger area.

All six tracts are within the proclamation boundary of the Jefferson National Forest and are within the Mount Rogers National Recreation Area. They also are identified for acquisition in the Forest's Land Adjustment Plan and acquisition is consistent with existing Jefferson Forest Plan direction to acquire lands that facilitate consolidation of National Forest ownership and enhance wilderness and other resource values such as key recreational tracts and habitat for endangered species.

All of these tracts have willing sellers. There are no known health or safety concerns with any of the seven tracts, nor are there any known hazardous materials present.

If the Forest Service is not able to purchase these tracts, in all likelihood they will be sold to private investors. The trend in these areas is to subdivide property into recreational and residential home sites. Should this occur, it will become increasingly difficult to protect the NRA, the trails, and endangered species habitat. Descriptions of these properties follow.

The Craig tract is located in the NRA and is a 128± acre tract that is retangular in shape and adjoins National Forest on three sides. The owner of this tract is a willing seller and has recently contacted the Forest Service regarding his interest in selling the property. Acquisition will eliminate a possible request for legal access across National Forest. There is no need for additional infrastructure to make this tract safe and usable by the general public if acquired. The interest to be acquired is fee simple with no reservations.

The 40-acre Zachary property adjoins the Lewis Fork Wilderness and is a complete inholding within the Forest and NRA. Acquisition of this tract would enable the closure of a road, which has been a law-enforcement problem involving illegal use of the wilderness.

In addition to the Craig and Zachary tracts, there are four other tracts on the NRA identified for acquisition at this time. The 30-acre James property, the 40-acre Dixon Lumber tract, the 228-acre Andrews property, and the 220-acre Jennings tract. Acquisition of these tracts would provide ecosystem protection and consolida-

tion, preservation of historic and prehistoric artifacts, and would protect the unique plant and animal diversity of the Mount Rogers NRA.

Rocky Hollow Cave ($100,000).—Acquisition of this 285-acre property would permanently protect a known bat cave for the Indiana bat, an endangered species. It was noted after a visit to the cave in 1998 that "Rocky Hollow Cave has the best potential for large-scale repopulation of nay of the 13 most important Indiana bat caves and mines in Indiana, Kentucky, Missouri, Tennessee, and Virginia." Attempts to protect the cave through acquisition and by gating have been made by the Forest Service, The Nature Conservancy, and the Virginia Department of Game and Inland Fisheries throughout the past 20 years. In addition to those agencies and organizations, this project also is supported by the American Cave Conservation Association and Bat Conservation International.

Pine Mountain Trail Tracts ($915,000).—A variety of tracts, affecting a total of 2,612 acres are required to establish a right-of-way for the Pine Mountain Trail across the Jefferson National Forest. The Pine Mountain Trail is located along the crest of Pine Mountain, the highest point in Kentucky and the geological break between the ridge and valley and Cumberland Plateau geological provinces. Approximately 27 miles of trail currently are constructed within the proclamation boundaries of the Jefferson National Forest. However, the entire trail, as planned, would extend for 110 miles along the crest of Pine Mountain from Breaks Interstate Park on the Virginia/Kentucky border to Pine Mountain State Park in Kentucky. An additional ten miles of trail would extend from Pine Mountain State Park to Cumberland Gap National Park. Also, the state of Tennessee is actively constructing 140 miles of trail that would extend from Chattanooga, Tennessee to Cumberland Gap National Park. Proposed acquisitions are intended to provide easements or fee-simple ownership for a right-of-way along approximately nine miles of the trail presently situated on private lands between Skeggs Gap and Pound Gap.

Appalachian National Scenic Trail ($1,000,000).—The Appalachian National Scenic Trail (A.T.) is a public footpath through 14 states across 2,169 miles of spectacular Appalachian Mountain ridgelines from Maine to Georgia. Management of the A.T. is a partnership between the Forest Service, National Park Service, Appalachian Trail Conference (ATC), and local trail-maintaining clubs. This partnership has become a model for partnerships between governmental agencies and private groups. The local hiking clubs are made up of a small army of volunteers dedicated to the maintenance and protection of the A.T.

With the passage of the 1968 National Trails System Act, and 1978 amendments to that act, funds were authorized to provide a permanent, protected corridor along the entire trail route. The Congress has continually supported the acquisition of land for the protection of the A.T. The Forest Service, National Park Service and the Appalachian Trail Conference have worked in partnership to complete the trail acquisition project. Overall, about 99 percent of the entire A.T. corridor from Georgia to Maine now is protected or in public ownership. Corridor protection within the Jefferson and George Washington national forest boundaries also is very close to completion: Since 1978, the Forest Service has acquired nearly 200 tracts and more than 15,500 acres along the trail within the two forests. Indeed, only nine parcels, totaling 814 acres, remain to be acquired, at an estimated cost of $1.2 million.

In the New River/Pearisburg area near the Virginia/West Virginia state line, an environmental assessment is nearing completion that will determine the preferred route for the trail to eliminate road-walking along busy Route 460 and to provide greater physical separation between the footpath and the adjacent Celanese industrial complex there. Additional lands (estimated at 170 acres, more or less) will be acquired on a willing-seller basis from the Celanese corporation.

At the Big Walker farm in the Nebo Valley of Bland County, additional land acquisition is necessary to supplement the very narrow right-of-way interests presently in national forest ownership. This area is characterized by wide-open and sweeping views of the pastoral landscapes unique to southwest Virginia, and additional public ownership (140 acres) is warranted in order to preserve that scenic and agricultural character.

The 34-acre Abbot tract is adjacent to the A.T. corridor below the popular Dragon's Tooth area in Craig County. The tract is within a prominent A.T. viewshed and adjoins a Forest Service parking lot that provides visitor access to the area.

The 22-acre Schliefer property is an inholding adjacent to the A.T. corridor within the Mt. Rogers National Recreation Area and likely will be developed if it remains in private ownership. Acquisition of the property would help ensure the remote, primitive character of the trail in the NRA.

Other tracts include Cash (78 acres), and Campbell (292 acres) properties. However, due to the circumstances surrounding a number of the affected owners, not all of these properties are suitable for acquisition at this time. For this reason, al-

though total land-acquisition needs involve 814 acres at an estimated cost of $1.5 million, only $1 million is being requested in fiscal year 2004 for the acquisition of approximately 450 acres.

TENNESSEE MOUNTAINS

State: Tennessee
Region/Forest: Region 8, Cherokee National Forest
Congressional District: 01: Representative(s): Bill Jenkins
Senators William Frist and Lamar Alexander

APPROPRIATION HISTORY

Appropriations received: 1996–2002	$5,280,000
Purchased through fiscal year 2002: Acres	4,800
Appropriated: 2003	$4,400,000
Acres	2,442
2004 Administration request	$3,800,000
Acres	2,649
2004 Conservation request	$5,300,000
Acres	3,420

Significance.—The proposed acquisitions consist of inholdings of various sizes within the Cherokee National Forest. The Cherokee National Forest shares a common border with National Forests in Georgia, North Carolina, and Virginia. The Forest encompasses several high elevation mountain ranges in the Southern Appalachians with a rich biodiversity in both flora and fauna. Centered between the north half and south half of the Forest is the Great Smoky Mountains National Park. It is the most visited national park in the United States. Visitation to the entire area is very high and is steadily increasing due to easy access and proximity to large metropolitan areas including: Knoxville, and Gatlinburg, Tennessee that are within a thirty minute drive; Chattanooga, Tennessee, and Asheville, North Carolina, one hour; Atlanta, Georgia and Lexington, Kentucky, two hours; Nashville, Tennessee and Cincinnati, Ohio, three hours.

A portion of the lands proposed for acquisition would protect the Appalachian National Scenic Trail (A.T.). The A.T. is a public footpath through 14 states across 2,172 miles of spectacular Appalachian Mountain ridgelines from Maine to Georgia. About 220 miles of the A.T. cross the Cherokee National Forest. Management of the A.T. is a partnership between the Forest Service, National Park Service, Appalachian Trail Conference, and local hiking clubs.

Acquisition of these key tracts in the Tennessee Mountains of the Cherokee National Forest will protect the Appalachian Trail, provide opportunities for public recreational uses (such as hunting, hiking, and fishing), improve public access, and protect critical natural resources, including wildlife habitat and fragile mountain watersheds.

The Rocky Fork Tract (2,649 acres).—The Forest Service proposes to purchase approximately 2,649 acres of the larger area known as Rocky Fork. This would be the second of a multi-phased purchase of the entire 10,000-acre tract. (Purchase of 2,130 acres was funded in fiscal year 2003). The tract encompasses the northeast section of the Rocky Fork area and is situated along the crest of Rich Mountain and includes Higgins Ridge and the entire upper watershed of Higgins Creek. Numerous tributaries combine within this area to form Higgins Creek, a major tributary, which then flows, into Indian Creek. Both Higgins Creek and Indian Creek are designated trout streams. The tract's northern boundary lies along the crest of Rich Mountain adjoining the Sampson Mountain Wilderness and features stunning views of distant mountain ranges and valleys in Tennessee, North Carolina and Virginia. Elevations of this tract range from 2, 200 feet in the valleys to 4,400 feet on Higgins Ridge at Frozen Knob. Ridgetops, rugged terrain, abundance of water and a mixture of hardwoods and evergreens provide excellent critical habitat for a variety of native fish and wildlife.

The Rocky Fork tract is one of the largest undeveloped and pristine forested areas remaining in the rugged chain of the Appalachian Mountains. Rocky Fork harbors miles of native brook trout fisheries and vital watershed, rugged outcroppings and ridgelines featuring breathtaking views of distant mountain ranges and valleys including the Nolichucky River Valley in Unicoi and Greene Counties. Rocky Fork serves as critical wildlife habitat for black bear, deer, turkey, peregrine falcon and many other species. Much of the boundary adjoins National Forest, including the

Sampson Mountain Wilderness. The Appalachian Trail, a National Scenic Trail, is situated along the western boundary of Rocky Fork. Acquisition of Rocky Fork would close a substantial gap in public lands along of the new scenic U.S. Hwy. 23 corridor (soon to be designated I–26), enhance protection to the Appalachian Trail and Sampson Mountain Wilderness, preserve a large expanse of critical watershed, wildlife habitat and aesthetic beauty, and expand recreational opportunities, such as hiking, mountain biking, hunting, and fishing.

The Forest Service has sought the acquisition of Rocky Fork for many years, but since the development of the U.S. Hwy 23 corridor, ownership of this large private holding has changed twice within the last four years. Thus far, purchasers have not pursued development of this wild area. With each transaction, combined with the expected completion of the U.S. Hwy 23 corridor linking the Tri-Cities in Tennessee to Asheville in North Carolina, development of Rocky Fork becomes an increasing possibility. Should this happen, an opportunity to preserve such a magnificent mountainous area will be lost forever. The estimated cost of acquiring this 2,649-acre portion of Rocky Fork is $3,800,000.

The Roan Mountain/Big Ridge Tract (250 acres).—This inholding lies on the slopes of Big Ridge in the Roan Mountain area of Carter County, Tennessee, on the headwaters of Doe River near the North Carolina/Tennessee state line. Georges Creek, an excellent native Brook Trout stream, flows 0.5 mile through the property, as do several unnamed tributaries. The slopes and peaks of this tract are covered with a mixed hardwood forest, with elevations that range from 2,600 to 4,000 feet. The property ties together fragmented and isolated National Forest (NF) ownership and adjoins Roan Mountain State Park. Roan Mountain State Park is one of Tennessee's premier state parks which enjoys a high visitor count and features camping, cabin rentals, a historic farm, trout fishing, hiking trails, and vistas. Nearby is the 6,285-foot summit of Roan Mountain, an environmentally sensitive highlands area known for its unique flora, including scenic rhododendron gardens amid spruce-fir forests and grassy balds. Views from and to the property are outstanding. If not acquired, the property will be sold for private development, complicating NF management and limiting public benefits and uses.

National Forest purchase of this property will:

—Protect the best and most productive native Brook Trout waters in this region.
—Protect habitat for 11 rare and endangered plant species, including several sedges.
—Provide and improve public access to National Forest land.
—Enhance FS management and public recreational use by linking roads and trails.
—Provide habitat for a variety of wildlife, including black bear, deer, and wild turkey.
—Protect a fragile and sensitive watershed that's within 200 feet of the Doe River.
—Protect waterfalls on Georges Creek that are critical for native trout management.
—Preserve natural scenic values along US Highway 19E, a major tourist route.
—Provide opportunity to plan a hiking/bike trail connecting with other public lands.
—Protect high elevation slopes and peaks within view of the Appalachian National Scenic Trail. While the property is outside the trail's corridor, it is highly visible from the trail's vistas on nearby White Rocks Mountain and from the summit of Roan Mountain.

In short, public ownership of the Roan Mountain/Big Ridge property will protect critical natural resources, greatly enhance National Forest management, and provide enormous public benefits. The estimated cost for this tract is $325,000.

In addition to the Roan Mountain/Big Ridge tract, there is an opportunity to acquire two other smaller inholdings within the Cherokee National Forest that would provide critical public access to a large block of National Forest ownership and protect the highly scenic I–26 corridor. The purchase price of these two tracts, affecting 170 acres, is estimated at $175,000. Those tracts, together with the Roan Mountain/Big Ridge tract include a total of 420 acres at a cost of $500,000.

Appalachian National Scenic Trail (884 Acres).—A total of 9 inholdings are proposed for purchase for protection of the Appalachian Trail (A,T.) within the Cherokee National Forest in Carter, Unicoi, and Greene counties. The tracts are located in the Sugarloaf Gap, Little Mountain, Shook Branch/Watauga, Hump Mountain, Allen Gap, and Buck Mountain areas. Acquisition of these scenic tracts will help maintain the undeveloped mountainous environment and visitor experiences along the Appalachian Trail.

Over the years, tremendous progress has been made to acquire A.T. corridor lands and only a few remain that are not funded with prior-year appropriations. Addi-

tional funds are needed, however, due to a rerouting of the A.T. in the Shook Branch/Watauga area, where the trail is being relocated off a paved road with residences and onto a much improved route through a forested area, and as a result of significant land-value escalation during the past several years.

The Appalachian Trail often is described as a national treasure. To complete protection of that treasure in the Tennessee Mountains requires additional funding. The total estimated funding need to purchase these tracts, encompassing 884 acres, is $2,200,000. However, only $1,000,000 is being requested in fiscal year 2004 for the acquisition of seven of the nine parcels, affecting approximately 300 acres.

Constituencies.—There is growing public concern over development in areas that adversely affect critical ecosystems such as the above properties. The Cherokee Forest Land and Resource Management Plan addresses the need for significant land acquisition for recreation and ecosystem protection. Support for land acquisition by the Forest Service comes from local, state, regional, and national organizations, including the State Rivers Coordinator, The Wilderness Society, The Trust for Public Land, The Nature Conservancy, the State Historian, the Southern Appalachian Highlands Conservancy, the Tennessee Wildlife Resources Agency, The Conservation Fund, the Southern Appalachian Forest Coalition, the Southern Environmental Law Center, Partners of Cherokee National Forest, local sportsman groups, and the Appalachian Trail Conference and its local affiliates, the Tennessee Eastman Hiking Club and the Smoky Mountains Hiking Club.

GEORGIA MOUNTAINS

State: Georgia
Region/Forests: Region 8, Chattahoochee-Oconee National Forests
Georgia 10th Congressional District: Representative Deal
Senators Miller & Cleland

APPROPRIATION HISTORY

Appropriations received: fiscal year 1997	$155,000
Acres acquired	45.87
Appropriations received: fiscal year 2002	$1,200,000
Acres acquired	175
Appropriations received: fiscal year 2003	$3,200,000
Acres to acquire	550
2004 request	$1,000,000
Acres	125

Springer Mountain ($850,000).—This tract was identified as a critical purchase for the Appalachian Trail project and has been actively sought for more than 30 years. The owners of the tract agreed to sell in 2003, but due to rapidly escalating land values in the area, the appraised price exceeded the original project budget, and a phased purchase became necessary. The 2004 request is the second and final part of a phased purchase for this tract. The Springer tract encompasses the foreground vista from the southern terminus of the Appalachian Trail and is seen by many thousands of Forest visitors each year. Due to estate issues, this purchase must be completed this year. The remaining $150,000 will be used for other high-priority riparian area inholding tracts in the Chattahoochee and Oconee national forests.

Constituencies.—The Chattahoochee Land and Resource Management Plan clearly addresses the need to acquire and consolidate the Forest. Support for acquisition by the Forest Service comes from local, state, regional and national organizations, including The Trust for Public Lands, The Nature Conservancy, The Conservation Fund, the Appalachian Trail Conference and its local affiliate, the Georgia Appalachian Trail Club, the Southern Environmental Law Center, Georgia Forest Watch, local sportsmen, Trout Unlimited, The Wilderness Society, the Georgia DNR, the Chattawah Land Trust, NRCS, local county commissioners, the University of Georgia, The Upper Etowah River Alliance, and local business leaders.

PREPARED STATEMENT OF AUDUBON

Mr. Chairman, on behalf of over one million members and supporters of Audubon, thank you for the opportunity to express to your Committee our recommendations for fiscal year 2004 funding of Department of the Interior and U.S. Forest Service programs. The purpose of our testimony is to recommend levels of funding for spe-

cific programs that are vital to our mission to protect birds, other wildlife, and their habitat.

EVERGLADES RESTORATION

We are grateful to the Committee for its long-standing support of Everglades restoration through the appropriations process and in important appropriations-related policy issues such as the Modified Water Deliveries project and the programmatic regulations. We urge the Subcommittee to support the following funding needs for fiscal year 2004:

—*National Park Service Land Acquisition Assistance to the State of Florida should be funded at $20 million (the Administration's fiscal year 2003 request)*.—The State of Florida has run out of money for land acquisitions and the integrity of the entire CERP rests on land acquisition.

—*U.S. Geological Services and NPS Everglades science programs should be increased to at least $15 million*.—CESI funding should be gradually restored to its previous levels of $12 million. Adequate funding should also be provided to ongoing critical Everglades studies regarding the sheet flow of water across the Everglades, water quality, the levels of mercury and other contaminants, nutrient levels, and the complex interaction of groundwater and surface water in South Florida. On-going science and research are critical to the successful use of adaptive assessment. Applied research that directly supports implementation and monitoring of project effectiveness is vital to the success of the CERP.

—*The Restoration, Coordination, and Verification Team (RECOVER), should be funded by Interior at $3 million*.—Interior and the Corps of Engineers share federal leadership on RECOVER, so it is appropriate that Interior contribute to this aspect of Everglades restoration.

—*CERP implementation for Fish and Wildlife Service and NPS in fiscal year 2004 should be increased to $10 million.*

—*The Modified Water Deliveries project should be funded at $15 million, $2 million above the Administraion's request*.—The budget must continue adequate funding for previously authorized programs whose performance assumptions have been included in the CERP. It is crucial to the successful and timely implementation of CERP that all components of the Modified Water Deliveries project be adequately funded and completed in 2005. This will require $15 million in fiscal year 2004 and an additional $15 million in fiscal year 2005.

LAND CONSERVATION, PRESERVATION AND INFRASTRUCTURE IMPROVEMENT FUND (LCPII)

We urge you to renew the commitment to fully fund LCPII at its dedicated amount of $2.08 billion in fiscal year 2004, while the DOI appropriations portion of LCPII should receive $1.56 billion.

Land and Water Conservation Fund (LWCF)

We urge the Committee to appropriate the full $900 million authorized for LWCF, with $200 million allocated to the stateside LWCF program, to combat the rapid rate of habitat loss threatening America's native birds and wildlife. Incorporating input from our 27 state offices and more than 500 chapters, we have identified dozens of critically important conservation opportunities through LWCF and we will provide a complete list of those priorities for the committee's consideration in the coming weeks.

State Wildlife Grants

This valuable program provides matching grants for design and implementation of habitat and wildlife conservation plans and allows states to conserve and restore declining native species prior to a necessity to list them as endangered or threatened. The Administration's request of $60 million for combined State and Tribal Wildlife Grants short-changes the important conservation goals of this program. Audubon supports funding SWGs at $125 million in fiscal year 2004.

U.S. FISH AND WILDLIFE SERVICE (FWS)

National Wildlife Refuge System

America's Refuge System faces a massive $2 billion backlog of operations and maintenance needs that is widely recognized as a handicap to Fish and Wildlife Service efforts to conserve and protect the System's more than 94 million acres of prime habitat for more than 2,000 bird and wildlife species. We call on the Committee to seize the opportunity provided by the Refuge System Centennial to in-

crease funding for refuge operations and maintenance by $100 million over the fiscal year 2003 level.

Endangered Species Program

We firmly believe that the Endangered Species Act (ESA) is one of our nation's most important environmental laws. We continue to be disappointed that the Endangered Species Program has not been funded at the level needed to carry out its critical purpose of staving off the loss of irreplaceable species and biological diversity. Although FWS's needs are much greater, in order to maintain its programs, we urge the Committee to appropriate at least $275.7 million toward the Endangered Species Program.

Law Enforcement Operations

The FWS Law Enforcement program is a primary means of protecting fish, wildlife, and plants throughout the United States. There are currently only 231 FWS special agents, despite an authorized level of 253. We therefore urge the Committee to provide $3 million over the Administration's request to $55.6 million in fiscal year 2004.

Neotropical Migratory Birds and the Multinational Species Conservation Fund

Approximately 500 of the existing 800 bird species found within the United States migrate across this nation's borders annually. The Neotropical Migratory Bird Conservation Act (NMBCA) was passed to reverse the decline of migratory birds that breed in the United States by protecting their habitats in Latin America and the Caribbean. For a great deal of these species, this region contains almost the entire world population of these birds in the non-breeding season. In 2002, the very first year for this program, there were 290 grant proposals, from 33 countries and 31 states, for a total of more than $120 million in proposed grants and matching conservation work submitted to the Fish and Wild Life Service. With the limited budget of $3 million, however, only 32 of the proposals could be granted. In light of the enormous demand for this program, we respectfully request the full-authorized amount of $5 million in fiscal year 2003 and 2004.

We ask that for the remaining Multinational Species Conservation mammal funds, you appropriate $2 million each for the Asian Elephant Conservation Fund, the African Elephant Conservation Fund, and the Great Apes Conservation Fund; and $3 million for the combined Rhinoceros and Tiger Conservation Fund.

Migratory Bird Management (MBM)

The President's budget for fiscal year 2004 is insufficient to enable FWS MBM to adequately carry out its mission. We urge the Committee to increase funding for MBM by $12.4 million, for a total of $43.5 million.

The FWS Migratory Bird Management (MBM) budget has been essentially flat for the last 10 years. No increase has been provided since 1998, and the base funding for MBM programs has been steadily eroded by cost of living increases and unforeseen expenses. MBM has had to absorb $475,000 in postal costs for the Harvest Information Monitoring (HIP) program and $300,000 for DOI's Office of Aircraft Safety this year, expenses that were previously covered out of a FWS overhead cost pool. For the first time this year, OAS has not issued a waiver to FWS to fly planes over weight capacity limits, so valuable migratory bird survey data could be disrupted. We recommend that $2 million be provided to begin to replace aged planes so surveys may continue. No funding has been provided for an additional $400,000 cost of living increases this year. Last year the $575,000 duck stamp program was transferred to MBM without any accompanying funding. MBM has also been burdened by unforeseen earmarks, including a $550,000 reward band study and a $250,000 golden eagle survey. While these earmarked programs would be warranted at some point in the future, FWS can not carry them out this year without cutting core activities. MBM needs more FTEs, particularly biologists, to carry out its responsibilities through support of Partners in Flight (PIF), the U.S. Shorebird Plan, and the North American Waterbird Conservation Plan. The office has zero funding for PIF regional coordinators, which were eliminated this year. An additional $1.1 million would provide for seven PIF regional coordinators, plus nominal program expenses. Despite a hiring freeze and dramatic reductions in travel expenses, MBM faces a deficit of $2 million in fiscal year 2004.

BUREAU OF LAND MANAGEMENT (BLM)

Managing for At-Risk Species and Habitats

We urge the Committee to increase the President's budget request for BLM Threatened and Endangered Species Programs to $38 million. These funds will give

the agency the ability to implement some 200 necessary recovery activities for listed species, and to conserve other species to avoid the listing of new species. Many of the species found on BLM land are birds, which the Wildlife Habitat Management, the Threatened and Endangered Species Management, and the Riparian Management programs work to conserve.

U.S. GEOLOGICAL SURVEY (USGS)

Biological Research Division

Audubon urges the Committee to appropriate $207 million, a total increase of $37 million, to the USGS for the Biological Research Division. Ongoing research and monitoring within BRD help Interior's land management agencies to maintain the health, diversity, and ecological balances of biological resources. Funding at current levels for the BRD is not fully adequate to meet the science needs of the Interior agencies and the complex, interrelated natural systems they must manage.

West Nile Virus

Nearly two hundred species of birds have been infected by West Nile Virus, which has spread to forty-four states since it was first reported in 1999. The BRD requires additional staff and funding to better understand and contain this epidemic. We urge the committee to provide $3 million to BRD for research and monitoring in fiscal year 2004.

U.S. FOREST SERVICE (USFS)

International Programs

Audubon strongly urges the Committee to provide $10 million to these grossly under-funded programs in fiscal year 2004. Of special interest to Audubon within the International Programs is the Migratory Bird Conservation program. Unfortunately, many migratory birds are experiencing rapid population decline due mainly to the loss of habitat outside of the United States. An increase of $3 million, to $4.2 million for the Migratory Bird Conservation Program will provide the resources needed to help conserve such species as the Kirtland's Warbler, Swallow-Tailed Kite, Cerulean Warbler, Bicknell's Thrush, and The Mountain Plover. Without such support, these migratory bird species will likely continue to decline and may ultimately face extinction.

Thank you for providing us with this opportunity to testify on Audubon's priorities for the Interior Department and U.S. Forest Service. I appreciate the fact that this is a large agenda, but the problems facing America's birds, wildlife and their habitat are daunting. We look forward to working with you to protect America's birds, wildlife and habitat.

PREPARED STATEMENT OF THE CASCADES CONSERVATION PARTNERSHIP

Mr. Chairman, The Cascades Conservation Partnership, a public-private campaign, is seeking appropriations in fiscal year 2004 to protect important conservation and recreation lands in Washington's Central Cascades. Our request matches each forest conservation objective with the appropriate tool, either Forest Legacy or LWCF. Thank you for this opportunity to provide testimony to the committee.

FOREST LEGACY REQUEST.—$2.5 MILLION—EASTON/YAKIMA RIVER

—Funds would secure conservation easements on 1600 acres to retain forests near Easton and the Yakima River.
—Rapid conversion of prime forestland to urban type developments fragments habitat, reduces recreational opportunities and increases risk of fire.

LWCF REQUEST.—$8.5 MILLION—PLUM CREEK/I–90

—Funds would acquire 6,500 acres of checkerboard lands identified by Congress as important for acquisition. Reduces management expenses of public and private landowners.
—Forest Service options to purchase expire at end of this year.
—Wildlife habitat includes 1,700 acres of late-successional forest.
—Lands are near Interstate 90, include 5 miles of trails, and are extremely popular with recreationists.

LWCF REQUEST.—$3.5 MILLION—CARBON RIVER

—Funds would acquire 700 acres of Plum Creek Timber Company lands, adjacent to Mt. Rainier National Park, providing important wildlife and salmon habitat and recreational opportunities.

EXPLANATION OF FISCAL YEAR 2004 REQUEST

Forest Legacy.—$2.5 million—Easton/Yakima River

The Forest Legacy project would acquire conservation easements on approximately 1600 acres on lands to retain forests near Easton and the Yakima River. This strategic project supports a working forest landscape connected to nearby private, state and national forest lands. Rapid conversion of prime forestland to urban type developments fragments habitat, reduces recreational opportunities and increases risk of fire and fire suppression costs.

LWCF.—$8.5 million—Plum Creek/I–90, Wenatchee National Forest

Keystone Lands.—Bringing certain lands into public ownership would eliminate the checkerboard ownership pattern and improve management of both public and private lands. Over 1,600 acres of roadless area and 1,700 acres of late-successional forest provide critical habitat for species dependent on large contiguous forested areas to survive. These parcels are contained in areas that have been given special designations by the Forest Service, such as the Snoqualmie Pass Adaptive Management Area.

Forested creeks in the Cle Elum River Valley provide important habitat for fish and wildlife as well as abundant recreational opportunities. Several trails and campgrounds are located in this area just south of the Alpine Lakes Wilderness. Significant roadless areas, including Kachess Ridge and Teanaway, surround the valley. Parcels in the Manastash Roadless Area include groves of pine and fir, with waters flowing into Taneum Creek, which supports bull trout. These tracts of land are home to threatened spotted owls. They also contain miles of trails and scenic vistas.

Urgency.—Plum Creek Timber Company is a willing seller, and appraisals are complete. But the ancient forests on fiscal year 2004 parcels are threatened with logging next year, as the restrictions on logging and road building in these parcels run out at the end of this year.

Option Lands.—In negotiations with Plum Creek Timber Company over the I–90 land exchange, many important lands were dropped from the transfer. However, the Forest Service was granted an option to purchase many of the highest priority lands. These options run out at the end of 2003. If the Forest Service allows its options to expire, Plum Creek may sell the lands to another buyer (the company has been actively marketing its Cascade lands). Even if Plum Creek agrees to sell the lands to the Forest Service following the expiration of these options, a new appraisal may be required, which may increase the purchase price significantly.

Congressional Support.—In 1998, Congress passed legislation that directed the I–90 Land Exchange between the Forest Service and Plum Creek Timber Co. be completed. Congress found that, ". . . the checkerboard ownership pattern in the area has frustrated sound and efficient land management on both private and National Forest lands . . . [and that] acquisition . . . of certain parcels of land . . . will serve important public objectives, including . . . enhancement of public access, aesthetics and recreation opportunities . . . protection and enhancement of old-growth forests and habitat for threatened, endangered and sensitive species . . . meet a broad array of ecosystem protection and other public land management goals . . . [and provide] a significant reduction in administrative costs to the United States . . ." (section 602, fiscal year 1999 Omnibus Appropriations Act). The legislation specifically mentions trails, streams and unroaded lands as important public gains. The subject parcels still retain those values.

LWCF.—$3.5 million—Carbon River, Mt. Baker-Snoqualmie NF

700 acres of Plum Creek Timber Company lands, adjacent to Mt. Rainier National Park, provide important lowland forest habitat and connections. This includes over 2 miles of frontage on the Carbon River, protecting salmon habitat. The project is part of a larger valley conservation plan with broad public support, designed to improve recreation, habitat protection and economic stability.

THE CASCADES CONSERVATION PARTNERSHIP

Unique Effort to Protect Wildlife Connections and Recreational Opportunities

Providing a Private Match for Public Funding.—The Cascades Conservation Partnership is an unprecedented three-year public-private campaign to purchase and

protect forest lands that link the Alpine Lakes to Mt. Rainier. The Partnership seeks funding to accomplish this goal. In addition to seeking Land and Water Conservation Fund appropriations for the acquisition of lands included in our proposal, we have undertaken a private fundraising campaign. To date, The Partnership has raised $14.5 million from over 16,000 citizens.

Focusing on Wildlife.—Our effort is to protect important conservation lands-especially habitat corridors between Washington's north and south Cascades-to ensure the viability of many wildlife species. Several of these species are threatened or endangered. Further fragmentation of the forest threatens the wildlife corridors and risks splitting species into smaller, more vulnerable populations.

Spotted owls, wide-ranging cougars tracking herds of deer and elk, and martens will make good use of the habitat we protect. Even smaller species such as salamanders need a connection.

Protecting Spectacular Lands & High Demand Recreation Areas.—In addition to their importance to wildlife, these lands are prized for the values they contribute to our quality of life. Key lands included in our proposal provide clean water for drinking and spawning habitat for endangered salmon. The lands contain vast recreational opportunities for the burgeoning population of Washington State, including more than 45 miles of trails. Hiking, horseback riding, bicycling, hunting, fishing, and camping are just an hour's drive from Seattle.

COMBINED FUNDING AND ACQUISITIONS

Several sources of funds have been used to conserve forests in the Cascades.

Federal Funds.—Congress has appropriated $40 million for nearly 23,000 acres in the checkerboard country. These acquisitions included 4,000 acres of roadless lands, five miles of river, more than 5,000 acres of ancient forest and over 12 miles of trail, including segments of the Pacific Crest National Scenic Trail.

Private Funds.—The Partnership has raised over $14.5 million to date, and has purchased 4,200 acres, including three mile-square parcels in the Manastash roadless area plus lands in a valley near Leavenworth. These tracts, containing old-growth forests, streams and trails, were donated to the Forest Service.

Forest Legacy Program.—The federal Forest Legacy Program provides grants to states to conserve forest land threatened with conversion to urban developments. With conservation easements, the lands can remain as forestland in private ownership. For selected areas this will provide added support to the wildlife corridors, where the core is in public ownership.

Washington State.—Washington State and nearby cities have acquired nearby critical low-elevation properties to better protect the greater Central Cascade ecosystem from development, including urban sprawl. In the past decade, Washington and other local governments have acquired more than 37,000 acres in the area surrounding The Partnership's proposal. Currently, funding for two major state acquisitions is pending.

Related Transportation Project.—The Washington Department of Transportation is planning an expansion of Interstate 90 east of Snoqualmie Pass. One objective of this project is to improve wildlife connectivity. Among the improvements will be major bridge structures that will allow wildlife to move under the freeway, and two of the structures are adjacent to our acquisition targets on the Yakima River Wildlife Corridor. The Partnership's forest conservation project will solidify the habitat areas north and south of the freeway, and the I–90 project will improve wildlife movement between these areas. Both projects are essential for wildlife connectivity. The I–90 project will also reduce the threats of accidents involving animals crossing the freeway.

THE CASCADES CONSERVATION PARTNERSHIP

Alpine Lakes Protection Society; Biodiversity Northwest; Kittitas Audubon Society; Kittitas League of Women Voters; Kongsberger Ski Club; North Cascade Conservation Council; Northwest Ecosystem Alliance; Seattle Audubon Society; Sierra Club; The Mountaineers; Washington Native Plant Society; Washington Trails Association; Washington Wildlife Federation; and The Wilderness Society.

PREPARED STATEMENT OF THE HIGHLANDS COALITION

On behalf of the more 100 member groups of the Highlands Coalition, I am writing to request fiscal year 2004 appropriations from the Land and Water Conservation Fund and Forest Legacy Program to conserve the valuable forests in the Highlands region. I am also writing to encourage a total appropriation for Forest Legacy

of $150 million as part of full funding ($2.08 billion) of the Conservation Trust Fund (Title VIII) package authorized in 2000.

BACKGROUND

The over 2 million-acre Highlands Region is defined by a series of forested ridges stretching through four states (PA, NJ, NY and CT). These ridges border and buffer several major metropolitan areas, including Philadelphia, New York City and Hartford. Approximately 25 million people live within an hour of the Highlands, and over 15 million people rely on surface and ground waters from Highlands watersheds for their drinking water. Some 247 threatened and endangered species occur in the Highlands and over 14 million people visit the region's parks annually for recreation. For these reasons, the USDA Forest Service found the Highlands to be of "national significance" in their 1992 and 2002 studies of the region.

Unfortunately, the forested ridges of the Highlands are becomingly increasingly fragmented and converted to non-forest uses due to intense development pressure from suburban sprawl. The USDA Forest Service's NY–NJ Highlands Regional Study: 2002 Update documented the loss of over 5,400 acres of open space to development annually in the NY–NJ Highlands alone between 1995 and 2000, a four-fold increase since their previous study of the region in 1992. The Study projects that if current trends continue, the population of the NY–NJ Highlands region (1.4 million) could increase by 50 percent, leading to significant impacts on both water quality and quantity, wildlife and recreation.

Only 20 percent of this nationally significant region has been conserved publicly or privately. The NY–NJ Highlands Regional Study: 2002 Update identified nearly 540,000 acres of land that have high conservation value for water, wildlife, recreation, and productive forests and farmland, but are currently unprotected. Almost 100,000 acres of these high-value lands are identified as facing imminent development pressure. The Highlands Coalition, a group of over 100 national, regional, state and local organizations working to protect the region, has identified 180,000 acres of priority conservation lands in the NY–NJ Highlands at an estimated value of $750 million.

FISCAL YEAR 2004 FUNDING NEEDS AND REQUESTS

For fiscal year 2004, the Highlands Coalition respectfully submits the following requests for funding:

—$3 million from the Land & Water Conservation Fund for the Mount Bethel and Egan projects, two important additions to the Wallkill NWR, one of our identified Critical Treasure areas of the NJ Highlands.

—$8 million from the Forest Legacy program for five projects in the Upper Delaware River Watershed area of the NJ Highlands identified as the top priority by the State of NJ: Stabile, Culbertson, Checchio, Buckhorn Creek, and Crown Towers.

—$8 million as requested by the State of New York from the Forest Legacy program for the Highlands/Taconics region, including the following projects: Pochuck Mountain, Blumberg, Fahnstock-Kisslinger, Cabot, Ice Pond, JJNC (Great Swamp) and Gilbert (Vernay Lake). Additional critical projects that should be considered for future funding include Torne Valley, Shirazi (Sterling Forest) and Storm King School Property.

—$150 million in total program funding for Forest Legacy, to accommodate not only these critical projects in the Highlands, but also the many other important projects throughout the eastern forests. National requests for fiscal year 2004 were in excess of $300 million.

—$2.08 billion for Title VIII, the Conservation Trust Fund, the authorized level for fiscal year 2004. For our region's priority projects to receive critical Forest Legacy funding, and also for a host of important conservation initiatives across the nation, it is imperative that the array of programs included in this title be fully funded.

Finally, the fiscal year 2002 Interior Appropriations Bill included language requesting the Secretary of Interior to join the Secretary of Agriculture to review the findings of the NY–NJ Highlands Regional Study: 2002 Update and to report to the Committee on ways in which the Federal Government can partner with state, county, local and private efforts to preserve critical lands within this nationally significant area in the Northeast. We urge you to review the final report and recommendations and to consider these findings as you make decisions regarding funding priorities in fiscal year 2004 and beyond.

Thank you for the opportunity to comment on the need for funding from the Forest Legacy program and the Land & Water Conservation Fund in fiscal year 2004 to protect these critical and threatened forested watersheds in the Highlands region.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

U.S. FOREST SERVICE (USFS)

General Comments

The fiscal year 2004 budget approach (initiated for fiscal year 2001) continues to make it very difficult to understand the budget request and to make meaningful comparisons with previous year appropriations. The Association continues to object to the Forest Service budget structure. Without specific budget line items and expenditures for specific purposes, the current approach does not promote accountability to State partners, the public, or Congress. In addition, the lumping of important items in the budget structure contributes to the continuing perception of the diminution of Forest Service effectiveness and accomplishment resulting from planning-based operational changes. In particular, the so-called "output" measures of accomplishment (e.g., acres "enhanced", miles of stream "enhanced") are so broad and nonspecific as to be meaningless to measure either the services provided or the benefits derived.

The Forest Service is in the process of eliminating the accounting "by work activities" system and implementing a new national work planning system effective April 2003. We recognize the desire to reduce the number of budget line items but believe a better system is needed to get accountability for allocated monies. The Association requests that future budgets include individual line items specific to fish, wildlife, and endangered species habitat management. This should include specific line items for: (1) wildlife and vegetation; and (2) watersheds and fisheries, specifying the threatened and endangered species efforts within each. This breakdown will combine improved performance accountability with improved opportunities for integrated activities with the state fish and wildlife agencies and other federal agencies.

Furthermore, the Association continues to urge Congress to provide a budget which reflects the full range of needs as identified in the Forest Plans. The planning process includes extensive public and agency considerations that are addressed in adoption of the final plans. The public benefits both economically and environmentally as a result of balanced consideration for all National Forest resources. According to a 1996 survey, wildlife-related recreation on National Forest lands contributed $21 billion to the national economy, and recreational fishing generated an additional $8.5 billion. All these uses on National Forest lands are projected to significantly increase in the future, and where addressed in Forest Plans, should be reflected in the budgets.

Wildlife and Fisheries Habitat Management

The Association supports the proposed fiscal year 2004 budget of $134.8 million for the Wildlife and Fisheries Habitat Management Program, which (with adjustments) is essentially level-funded. The Association specifically recommends and urges that the USFS coordinate closely with the State fish and wildlife agencies in the use of these funds. We also draw attention to the important partnership benefits achieved through the Challenge Cost-Share Program and support continued funding as proposed.

The USFS needs to coordinate closely with the respective State fish and wildlife agencies so that programs and activities do not compromise State jurisdictional authorities for fish and resident wildlife. The USFS also needs to facilitate the cooperative design and conduct of research and management programs with state agencies to reduce duplication and increase acceptability of program results. Genuine cooperative efforts between the USFS and the State fish and wildlife agencies will play a critical role in achieving land and resource objectives for species and related resources.

We applaud the implementation of the Presidential Management Initiatives and Forest Service Initiatives to streamline operations to reduce bureaucracy. While reducing the number of positions in headquarters by transfers to field offices, we urge the USFS take care to avoid positions which duplicate or overlap with state fish and wildlife biologist positions and programs. In times of reduced state budgets, it is particularly important for the Service to look to ways to use funding to assist the state programs and biologists involved in mutual projects.

Forest and Rangelands Research

The proposed fiscal year 2004 budget provides $252 million for Forest and Rangeland Research, an increase of approximately $9 million above the fiscal year 2003 request but essentially level with the fiscal year 2002 enacted budget. The fiscal year 2004 budget provides over $11 million for new research initiatives related to invasive species, the Healthy Forests Initiative and Sudden Oak Death disease. The Association supports the proposed fiscal year 2004 research budget provided current activities in the Wildlife, Fish, Water, and Air Research segment of the budget can be maintained.

Roads, Trails, and Facilities

The Association has continuing concerns regarding proposed funding and management decisions involving roads and trails. There is a need to prioritize funding for maintenance and to address deteriorating, unsafe conditions. We support the increases in fiscal year 2004 for the USFS roads, trails, and facilities program but request additional funding for this and subsequent fiscal years for maintenance and improvements to resolve the maintenance backlog.

The fiscal year 2004 budget estimates the deferred maintenance backlog of roads and bridges at $10 billion, and if eliminated, the annual maintenance needs would be approximately $152 million. These figures are significantly different than the fiscal year 2003 budget document, perhaps due to changes in the budget structure itself. We urge that future budget documents break out deferred maintenance, backlog of improvements, and other components from facilities so that the funding needs and accomplishments can be more consistently evaluated.

The Association strongly urges the USFS to closely coordinate with State and local agencies early in the process of decisions to close or to reduce use of roads on the National Forest System. Many roads are important to the transportation needs and desires of local communities and recreational users. While poorly designed, constructed, or maintained roads add significantly to water quality issues and fish habitat concerns, involvement of organizations with interests in maintaining or retaining roads may result in additional options for correcting those conditions without total closure. As noted in the past, road closures should seek a balance with consideration for adequate recreational and other user access to National Forest lands. In particular, cooperation with State fish and wildlife agencies in identifying roads to close or to seek alternate management options is strongly recommended.

State and Private Forestry

We commend the President for increasing the Forest Legacy budget in fiscal year 2004 to $91 million. We encourage Congress to support this $20 million funding increase over the fiscal year 2003 President's budget. We request that the USFS develop a nationally competitive and unbiased process to rank Forest Legacy projects that includes state lead agencies and Forest Service staff participation (Forest Service staff should be within comparable employment rank to avoid weighting by supervisors). We appreciate that the budget for fiscal year 2004 now includes specific funding identified for the Forest Legacy program by state and project.

The Stewardship Incentive Program and Forestry Incentives Program were replaced with Forest Land Enhancement Program (FLEP). We support the $25 million request for FLEP in fiscal year 2004.

The Association continues to strongly support programs that assist private landowners and States to improve and enhance fisheries and wildlife habitat, protect watershed values, and contribute to the economic and environmental well being of urban and rural America. Under the Cooperative Forestry component of the State and Private Forestry budget, we support the proposed budget increases for the Urban and Community Forestry program.

National Fire Plan

The Association is deeply concerned by the complete lack of any funding request in the fiscal year 2004 Forest Service budget for National Fire Plan rehabilitation and restoration. In fiscal year 2001 the amount allocated for this purpose was $141.7 million; in fiscal year 2002 the level declined to $62.7 million; in fiscal year 2003 Congress approved $7.1 million; and in fiscal year 2004 the President's budget request for rehabilitation and restoration is zeroed out. This comes at a time when 19.2 million acres of forestland have burned in the past three years—7 million in 2002 alone—with four states experiencing their largest fires in recorded history. Predictions call for another catastrophic fire season in 2003.

Given this devastating trend, the Association is at a loss to understand the absence of any fiscal resources directed at rehabilitation and restoration, while the other four program areas of the National Fire Plan have experienced, and are pro-

posed for, significant budgetary increases. This action on the part of the Forest Service also appears to be in direct conflict with Congressional direction for the 10-year comprehensive strategy as expressed in the Conference Report for the fiscal year 2001 Interior and Related Agencies Appropriations Act (Public Law 106–291). That report specifically directed, "The Secretaries should also work with the Governors on a long-term strategy to deal with the wildland and hazardous fuels situations, as well as the needs for habitat restoration and rehabilitation in the Nation . . ." As such, and given the obvious need for ongoing forestland rehabilitation and restoration throughout the life of the National Fire Plan, the Association strongly recommends Congress appropriate at least $25 million in the fiscal year 2004 Forest Service National Fire Plan budget for the exclusive purpose of rehabilitation and restoration, and in the out years, the Forest Service submit realistic funding requests to meet this requirement.

PREPARED STATEMENT OF THE MOTHER LODE CHAPTER OF THE SIERRA CLUB

The Mother Lode Chapter of the Sierra Club urges the Subcommittee to recommend a $2 million Land and Water Conservation Fund appropriation for Inholdings in Sierra Nevada National Forests.

This appropriation is included in the President's Budget.

This appropriation would purchase lands at several locations in the Tahoe National Forest. The first priority would be the remaining large parcels along the North Fork of the American Wild River. The remaining funds would purchase:

(1) lands along the Middle Fork of the American River; and

(2) Barker Pass lands near the Pacific Crest Trail.

The significant natural values that would be preserved by each of these purchases are described in the following sections of this letter.

Appropriations for purchasing lands in the North Fork of the American Wild River and the Middle Fork of the American River are supported by the Placer County Board of Supervisors, the Board of Directors of the Placer County Water Agency, and civic and environmental organizations in Placer County.

THE NORTH FORK OF THE AMERICAN WILD RIVER

The appropriation would purchase 1,400 acres of private lands along the North Fork of the American Wild River in Tahoe National Forest, California. The anticipated cost of these lands is about $1 million. The Forest Service has already acquired 8,200 acres along and near the Wild River, and the proposed purchase would finally complete the acquisitions of presently available large private parcels in and near the Wild River Zone.

The North Fork American River flows down the western slope of the Sierra Nevada in a beautiful wild rugged canyon more than half a mile deep. Most of the canyon is steep-walled and narrow.

Both the Federal Government and the State of California designated a 38-mile stretch of the North Fork American as a Wild River in the 1970's. The designations recognized the river's outstanding wildness and beauty and its exceptionally pure waters.

The river supports an excellent self-sustaining trout fishery managed as a Wild Trout Stream by the State of California. The canyon is home to numerous large mammals, including black bear and mountain lion, and provides habitat for 150 species of birds, including peregrine falcons, golden eagles, and goshawks. The canyon's varied ecosystems and vegetation, including a large acreage of old-growth forest, are almost unspoiled. Ten challenging trails descend steeply into the canyon, providing access for rugged hikers, backpackers, and fishermen seeking solitude and strenuous adventure.

Though the canyon is remote and rugged, development which would degrade the beauty and naturalness of these private lands could still occur. A previous owner filed helicopter logging plans on several of the parcels. Cabin sites could be developed on some of the parcels, degrading their naturalness and limiting public recreational access.

THE MIDDLE FORK OF THE AMERICAN RIVER

Funds would also be used to begin the purchase of private lands in the canyon of the Middle Fork of the American River, the adjacent major drainage to the south.

The available lands include almost all the private land in a 25-mile stretch of the Middle Fork canyon. This stretch of the Middle Fork is the boundary between Tahoe and Eldorado National Forests.

The canyon of the Middle Fork is even more narrow, steep, rugged, and remote than the canyon of the North Fork, and also possesses all the same outstanding features. The clean waters of the river support a high-quality trout fishery sustained by natural reproduction. Large mammals, including black bear and mountain lion, are found in the canyon. This remote unspoiled canyon provides habitat for the same species of birds, including several sensitive species—spotted owls, peregrine falcons, golden eagles, and goshawks. Fishermen and naturalists who make the strenuous descent into the canyon are rewarded by pristine conditions and solitude.

The Middle Fork is a major source of high-quality water for Placer County and fast-growing downstream areas. Placer County has developed the Middle Fork for water supply and hydroelectric power; this development directly affects only a small proportion of the 25 miles of canyon. Unified management of the Middle Fork Canyon by the Forest Service would better protect water quality and better guarantee preservation of its outstanding natural attributes. Possible future mining and logging on private land could significantly degrade the canyon's naturalness and the purity of the Middle Fork's waters.

BARKER PASS LANDS NEAR THE PACIFIC CREST TRAIL

Barker Pass crosses the Sierra Nevada crest on the edge of the Tahoe Basin. Sierra Pacific Industries (SPI) has made 1,400 acres near Barker Pass available for purchase. These lands are just outside the Tahoe Basin and adjacent to the Granite Chief Wilderness. About 640 of the 1,400 acres were purchased by an fiscal year 2003 LWCF appropriation.

The Pacific Crest Trail along the crest near Barker Pass traverses lands with attractive forest and meadow scenery; volcanic outcrops add scenic variety. Human activities do not dominate views from the Trail, despite past roading and logging. Upper Barker Meadow provides attractive campsites for PCT hikers.

Development of these lands would have significant adverse effects on the Pacific Crest Trail, the Granite Chief Wilderness, and major trails into the Wilderness. Much of the SPI acreage could be developed for summer residences, especially appealing to purchasers preferring an isolated location. These lands are easily accessible from Lake Tahoe in summer by the high-standard Blackwood Canyon Road. Lands outside the Tahoe Basin are not subject to the Basin's strict controls on development.

The integrity of the Granite Chief Wilderness and wilderness users' experiences would be adversely affected by development on the SPI parcels near the boundary of the Granite Chief Wilderness.

The SPI lands, the largest block of private lands in the watersheds of the Granite Chief Wilderness, include the headwaters of Powderhorn and Little Powderhorn Creeks. New development and roadbuilding on the SPI lands would increase erosion and siltation in these tributaries of Five Lakes Creek. Pristine Five Lakes Creek, which flows through a beautiful wilderness canyon, supports an outstanding population of wild rainbow trout.

Acquisition of the SPI lands near Barker Pass will foreclose the possibility of development adversely affecting the Pacific Crest Trail and the watersheds of the Granite Chief Wilderness.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS

The National Association of Conservation Districts is the nonprofit, nongovernment organization that represents the nation's 3,000 conservation districts and more than 16,000 men and women who serve on their governing boards. Established under state law, conservation districts are local units of state government charged with carrying out programs for the protection and management of natural resources at the local level. They work with nearly two-and-half million cooperating landowners and operators—many of them farmers and ranchers—to provide technical and other assistance to help them manage and protect private land in the United States. In carrying out their mission to coordinate and carry out all levels of conservation programs, districts work closely with USDA and USDI agencies to provide the technical and other help farmers and ranchers need to plan and apply complex conservation practices, measures and systems including their interactions with public lands.

The partnership of conservation districts, state conservation agencies, state forestry agencies, state wildlife agencies and other resource organizations provide farmers and ranchers with critical help in protecting and improving the quantity and quality of our soil and water resources while meeting both domestic and international food and fiber needs. America's agricultural producers provide many bene-

fits to our citizens including clean water and air, fish and wildlife habitat and open space. Many of the practices producers apply on their land also take carbon out of the atmosphere and store it in the soil, providing a hedge against global climate change.

As stewards of the nation's working lands, farmers, ranchers and forestland owners manage the vast majority of America's private lands and provide tremendous environmental benefits to the country. They also have a considerable influence on many of the nation's public lands.

On behalf of America's conservation districts, I am pleased to provide our recommendations on selected conservation programs carried out through the U.S. Department of Agriculture and U.S. Department of Interior relative to conservation on both private and public lands.

FOREST SERVICE

State and Private Forestry

The private forestlands of the nation are coming under increasing pressure for production of wood and other products. Resource concerns and needs include growing fragmentation, wildfire threats and insect and disease infestation, as well as wildlife and recreation needs. The State and Private Forestry (S&PF) programs of the Forest Service promote the health and sustainability of the nation's private forest resources by providing technical and cost-sharing assistance to landowners to support voluntary stewardship of state and private forestlands. Conservation districts are key partners with both the Forest Service and state foresters in carrying out the S&PF programs.

The Forest Stewardship Program is designed to assist nonindustrial private forestland owners to better manage and use their forest resources. Cost-shared with the states, the FSP provides technical assistance that enables landowners to manage lands for multiple uses.

Fiscal Year 2004 Forest Stewardship Program Recommendation—$66 million

Urban and Community Forestry helps to provide leadership for improving and expanding urban forest ecosystems in the nation's 45,000 towns and cities. It also provides leadership for state of the art technology and grants to urban areas to support tree planting and urban tree protection actions.

Fiscal Year 2004 Urban and Community Forestry Recommendation—$38 million

Cooperative Lands Forest Health Management provides technical assistance for insect and disease suppression programs on both federal and private lands. As our population continues to expand into rural America, Cooperative Fire Protection helps ensure cost-effective fire protection at the rural-urban interface.

The Forest Legacy Program helps to protect forestlands under threat of conversion to nonforest uses. Economic Action Programs help rural communities develop and sustain locally driven natural-resource-based economies. Forest Resources and Information Analysis (FRIA) supports regional units that have responsibility for collecting and analyzing forest resource data to help guide management decisions.

Fiscal Year 2004 Cooperative Lands Forest Health Management Recommendation.—$31 million

Fiscal Year 2004 Cooperative Fire Protection Recommendation—$31 million

Fiscal Year 2004 Forest Legacy Program Recommendation—$91 million

Fiscal Year 2004 Economic Action Programs Recommendation—$36.000 million

The 2002 Farm Security and Rural Investment Act of 2002 (Farm Bill) repealed both the Stewardship Incentives Program and Forestry Incentives Program and established the Forest Land Enhancement Program (FLEP). The purpose of FLEP is to encourage the long-term sustainability of nonindustrial private forest lands by assisting forestland owners in more actively managing those lands. FLEP is carried out through state foresters and provides resource management expertise, financial and educational programs assistance. Funded through the Commodity Credit Corporation at $100 million through 2007, the Office of Management and Budget will apportion funds annually. Conservation districts urge the subcommittee to allow full implementation of FLEP.

WILDLAND FIRE MANAGEMENT

As a result of management decisions made in past decades that resulted in unnatural suppression of fires on public lands, large acreages of forest and rangeland have become extraordinarily dense and overloaded with fuels, resulting in fires that

no longer burn at natural temperatures or rates. These catastrophic fires are dangerous to fight, difficult to control, and, rather than renewing forests, they destroy them. The President's Healthy Forests Initiative, which includes components of several S&PF programs, as well as Wildland Fire Management activities, is a new approach to address these issues.

Fiscal Year 2004 Wildland Fire Management Recommendation—$1.8 billion

The 2002 Farm Bill also established the Community and Private Land Fire Assistance Program to help focus the federal role in promoting firefighting efficiency, to augment federal wildfire protection projects, expand outreach and education programs and to help establish defensible wildfire buffers around communities and private homes. The program, authorized at $35 million annually, is implemented through state foresters.

Fiscal Year 2004 Community and Private Land Fire Assistance Program Recommendation—$35 million

FISH AND WILDLIFE SERVICE

Fish and Wildlife resource concerns are significant throughout the nation. With growing human population dwindling land and water habitats, the need for active resource management programs grows with each passing year.

The Partners for Fish and Wildlife Program offers technical and financial assistance to private landowners to voluntarily restore wetlands and other fish and wildlife habitats on their land. The program emphasizes the re-establishment of native vegetation and ecological communities for the benefit of fish and wildlife while meeting the needs and desires of private landowners. Conservation districts are major partners in the program, raising matching funds and sponsoring more than 900 wetland restoration projects.

Fiscal Year 2004 Partners for Fish and Wildlife Program Recommendation—$39 million

The Private Stewardship Grants Program provides grants and other assistance on a competitive basis to individuals and groups engaged in local, private, and voluntary conservation efforts that benefit federally listed, proposed, or candidate species, or other at-risk species. The Landowner Incentive Program provides financial incentives to encourage landowners to help protect and conserve rare species on their lands. Established in the fiscal year 2002 appropriations process as part of the Cooperative Conservation Initiative, both programs are flexible and are open to all private landowners who have a desire to voluntarily manage for rare species on their land.

Fiscal Year 2004 Private Stewardship Grants Program Recommendation—$10 million

Fiscal Year 2004 Landowner Incentive Program Recommendation—$50 million

The Ecological Services Program (Endangered Species and Habitat Conservation) works in partnership with public agencies, private organizations and landowners and operators with the goal of reducing threats to declining species. Its consultation and recovery elements include a wide range of management options designed to protect species while still allowing private economic development to proceed.

Fiscal Year 2004 Endangered Species Recommendation—$130 million

Fiscal Year 2004 Habitat Conservation Recommendation—$85 million

Payments in Lieu of Taxes are funded through the National Wildlife Refuge Fund and are designed to offset revenue lost by localities when refuge acquisition results in land being removed from tax rolls.

Fiscal Year 2004 Payments in Lieu of Taxes Recommendation—$50 million

The Coastal Program focuses the U.S. Fish and Wildlife Service's efforts in bays, estuaries and watersheds around the U.S. coastline. The purpose of the Coastal Program is to conserve fish and wildlife and their habitats to support healthy coastal ecosystems. The Service provides funding through the program to 16 high priority coastal ecosystems.

Fiscal Year 2004 Coastal Program Recommendation—$12 million.

The North American Wetlands Conservation Fund and associated program provides assistance to conserve wetland ecosystems and waterfowl and the other migratory birds and fish and wildlife that depend upon wetlands. Through voluntary partnerships, federal funding leverages non-federal funds for projects that focus on re-

storing wetlands and acquiring wetlands from willing sellers to be managed for wildlife conservation by private organizations or state and federal agencies.

Fiscal Year 2004 North American Wetlands Conservation Fund Recommendation—$50 million

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management (BLM) administers 262 million of America's public lands, located primarily in 12 Western States. BLM's mission, sustaining the health, diversity and productivity of public lands, becomes more challenging each year as populations and pressures on the resource base grow rapidly in these states.

BLM's Payments in Lieu of Taxes are designed to offset revenue lost by localities when federal land acquisition results in land being removed from tax rolls.

Fiscal Year 2004 Payments in Lieu of Taxes Recommendation—$200 million

The agency's Soil, Water and Air; Range Management; Wildlife & Fisheries Habitat accounts and Challenge Cost Share Partnership are each aimed at improving the health of landscapes and watersheds and to manage, protect and restore important fish, wildlife and grazing habitats.

Fiscal Year 2004 Soil, Water and Air—$36 million

Fiscal Year 2004 Range Management Recommendation—$75 million

Fiscal Year 2004 Wildlife & Fisheries Habitat Recommendation—$38 million

Fiscal Year 2004 Challenge Cost Share Partnership Recommendation—$21 million

Forestry programs within BLM target conducting commercial timber thinning sales and management activities to improve the condition and productivity of forests. OR&CA Grant Lands funds target enhanced management activities on environmentally sensitive public lands in Oregon and California.

Fiscal Year 2004 OR&CA Grant Lands Recommendation—$114 million

BUREAU OF RECLAMATION

Water needs are an increasing resource concern, especially in the Western United States. The Bureau of Reclamation (Reclamation) is the lead federal agency for supplying water to agricultural producers and others in the seventeen Western states. Reclamation initiated the Water Conservation Field Services Program (WCFSP) in 1997 to encourage the efficient use of water on federal projects, assist water districts develop and implement effective water conservation plans, and complement and support other federal, state, and local conservation program efforts. WCFSP is designed to provide technical and financial assistance in conservation planning, education, demonstration of innovative conservation technologies and implementation of effective conservation measures.

The President's budget request includes a new, $11.0 million Western Water Initiative to help develop solutions to the increasing demands for limited water resources-especially in the West. The initiative is directed at enhancing Reclamation's efficiency and performance in carrying out its core mission of delivering water and power in an environmentally sound and cost efficient manner. The initiative has four key elements intended to enhance water management and prevent crisis-level water conflicts in the West.

Fiscal Year 2004 Water Conservation Field Services Program Recommendation—$20 million

Fiscal Year 2004 Western Water Initiative Recommendation—$11 million

We appreciate the opportunity to provide our recommendations to the subcommittee.

PREPARED STATEMENT OF THE NATURE CONSERVANCY

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to present The Nature Conservancy's recommendations for fiscal year 2004 appropriations. We understand and appreciate the fact that the Subcommittee's ability to fund programs within its jurisdiction is limited by our current national emergency.

The Nature Conservancy is an international, non-profit organization dedicated to the conservation of biological diversity. Our mission is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. The Conservancy has more than

1,000,000 individual members and 1,900 corporate associates. We have programs in all 50 states and in 30 foreign countries. We have protected more than 15 million acres in the United States and Canada and more than 83 million acres with local partner organization globally. The Conservancy owns and manages 1,340 preserves throughout the United States—the largest private system of nature sanctuaries in the world. Sound science and strong partnerships with public and private landowners to achieve tangible and lasting results characterize our conservation programs.

The Nature Conservancy believes that the conservation community has an obligation to take action as well as raise awareness. Private efforts alone, however, will not suffice. Federal investments in conservation, through federal land and fish and wildlife programs, and as a partner with state and local governments and the private sector, are essential to conserve the nation's biodiversity.

STEWARDSHIP OF PUBLIC LANDS

The nation's federal lands require enhanced stewardship funding. Many of our ecosystems are extremely degraded, particularly by invasive species and poor fire management, and require substantial investments to restore proper ecosystem function.

National Fire Plan

The President's fiscal year 2004 budget includes a substantial increase in suppression funding and a very small increase in hazardous fuels reduction funding. We believe that the smartest and most cost-efficient way to address the threat of ecologically destructive fires is through long-term restoration. Continuing to spend money on suppression, at the expense of restoration to prevent destructive fires creates a vicious cycle causing more need for suppression monies. We believe that Congress should: (1) increase total funding for Hazardous Fuel Reduction to $480 million, with an emphasis on funding for long-term, large-scale hazardous fuels reduction projects with rigorous adaptive management plans; and (2) restore total Rehabilitation and Restoration programs to $82.7 million, the fiscal year 2002 level, with a portion of the funding targeted at expanding restoration ecology expertise. Despite one of the worst fire seasons in history, the Restoration and Rehabilitation activity was zeroed out for the Forest Service for fiscal year 2004, and reduced for DOI. Without adequate post-emergency restoration following unnaturally severe fires, the result is increased damaged caused by invasive species such as cheat grass—including increased risk of future fires. As part of the restoration funds, we recommend $10 million for development and production of additional native plant materials through private/public partnerships.

Invasive Species

Next to habitat loss, invasion by non-native species is the most pervasive threat to native biodiversity on public lands. The Conservancy supports the interagency National Invasive Species Cross-Cut Performance Budget as a start for accelerating prevention, early detection, rapid response, control and management and restoration. This multi-pronged approach emphasizes private-public partnerships and interagency collaboration and is essential if we are to reduce the threat of invasive species to the nation's lands and waters. The Conservancy supports the President's requested funding increases of $9 million for BLM, BOR, NPS and USGS and $6.6 million for the Forest Service for enhanced invasive species management by federal land management agencies.

ACQUISITION OF FEDERAL LAND

The Nature Conservancy applauded action by the Appropriations Committees to establish and fully fund the Land Conservation, Preservation, and Infrastructure Improvement program established in fiscal year 2001 and fiscal year 2002. The Conservancy was disappointed that the fiscal year 2003 Interior appropriations bill did not continue the commitment to implementing this historic 6-year conservation achievement. We strongly urge the Subcommittee to fully fund this program at its fiscal year 2004 level of $1.56 billion.

Land and Water Conservation Fund

The Nature Conservancy strongly supports continued federal acquisition of high-priority biologically important land and urges the Congress to provide funding for the Land and Water Conservation Fund (LWCF) at a far more robust level than the President's request. The Nature Conservancy proposes funding of 44 biologically rich land acquisition projects totaling $103,050,000. Priorities include completing multi-year projects to transform Great Sand Dunes National Monument into the na-

tion's 57th National Park, expansion of Hawaii Volcanoes National Park, and protection of major inholdings at Florida's St. Marks NWR and Arkansas' Cache River NWR. A number of projects, including the Red Rock Lakes NWR, Northern Tallgrass Prairie NWR and BLM's Henry's Lake ACEC and Upper Snake /South Fork Snake River projects, rely upon conservation easements to achieve important conservation objectives while maintaining the integrity of working landscapes. We also encourage the Subcommittee to maintain the programmatic integrity of the LWCF and use it only for its legislatively authorized uses. We urge the subcommittee to provide at least the level of funding requested by the Administration for the state-side of the LWCF. Overwhelmingly successful ballot measures continue to demonstrate the substantial need and demand in states and counties across the country to acquire land for conservation and recreation purposes.

Forest Legacy

This program identifies and protects ecologically important forestland that is threatened by conversion to non-forest uses. It is an increasing popular and successful model of a non-regulatory conservation approach based on partnerships between federal and state governments and private landowners. This program has delivered measurable conservation results at sites such as the Bar J Ranch in Utah and the John Tully Wildlife Management Area in Tennessee, while maintaining sustainable public use of these lands. Building on that success requires a significant funding increase. We strongly support a $150 million appropriation for this program, including such priority projects as Maine's Machias River Project, Broxton Rocks in Georgia and Dragon Run in Virginia.

PAYMENTS IN LIEU OF TAXES AND REFUGE REVENUE SHARING

Programs provide payments to counties where land has been taken off the local property tax roles and put into federal ownership. In some counties, protection of significant natural resources impacts the tax base necessary to fund local government services, including schools and public safety. We urge the Committee to provide full funding for these programs and honor the federal government's commitment to impacted communities.

SCIENTIFIC INFORMATION

Sound decisions on public and private land acquisition and management must be based on high-quality scientific information. The Conservancy's work on the ground long has been guided by information from the non-profit organization NatureServe and its state natural heritage program members. We support increase of $5 million for the U.S. Geological Survey's National Biological Information Infrastructure program and encourage an allocation of $500,000 to support the scientific information management and dissemination work of NatureServe and its state agency partners. We also support an increase of $2 million in BLM's budget for long-term resource monitoring to measure the effects of increased energy development on other resources.

ENDANGERED SPECIES PROGRAMS

The Conservancy supports a funding level of $100 million for the FWS's Cooperative Endangered Species Fund, an effective and flexible tool for building cooperative, voluntary partnerships between federal, state, and local governments to protect and recover critically imperiled species. The requested increase reflects the importance and unmet public funding needs of collaborative conservation strategies to protect critically rare species on non-federal land, and state and local acquisition of habitat necessary for the survival of listed and candidate species. We support and appreciate the Subcommittee's long-standing funding of $2 million annually to Southern California's Natural Community Conservation Planning program.

The Nature Conservancy proposes significant increases for the FWS's ESA implementation programs. Funding increases would enhance the Service's ability to provide important incentive-based, non-regulatory programs that assist private landowners in protecting species. $12 million for Candidate Conservation would expand this innovative program and permit more effective monitoring and implementation of existing agreements. $12 million for Listing would enable the Service to expand its evaluation of imperiled species for listing, a critical action that guarantees certain protections under the law, including the authority to purchase habitat. $55 million for Consultation/Habitat Conservation Planning would permit the Service to respond to the dramatic increase in the use of HCPs. $75 million for Recovery would permit the development, monitoring, and implementation of recovery plans and actions for a rapidly increasing number of listed species. We also urge support for the

Cooperative Recovery Program for the four endangered fish species in the Upper Colorado River Basin by requesting $700,000 of resource management funds for the FWS, along with $444,000 for operation and maintenance of the Ouray National Fish Hatchery.

STATE AND TRIBAL WILDLIFE GRANTS

The Conservancy strongly supports this important and developing program and recommends funding of $125 million. We believe the development of state comprehensive wildlife conservation plans will set the foundation to direct future resources for state conservation objectives and encourage the states to make full use of the best existing scientific information, including natural heritage data.

COOPERATIVE CONSERVATION INITIATIVE AND PRIVATE LANDOWNER PROGRAMS

Private lands provide a portion of the habitat for at least two-thirds of all federally listed species. The Administration's Cooperative Conservation Initiative supports innovative ways to meet conservation needs of private landowners, local communities, states and the federal government through enhancing the capacity of federal agencies for innovative conservation partnerships.

Challenge Cost Share

We support increased funding for the BLM, $23 million, FWS, $11.9 million, and NPS, $21 million. Challenge Cost Share programs leverage appropriated dollars through 1:1 matches with State and private partners to implement important restoration and resource protection projects. Partners for Fish and Wildlife. We support an increase for this program to $50 million. It provides important technical and financial assistance to private landowners and other partners to protect, restore and enhance habitat for fish and wildlife species. The fact that more than 2,000 private landowners are on a waiting list to use the program demonstrates the demand for this cost-sharing program. Landowner Incentive Program and Private Stewardship Grants. Last year, Congress funded these new programs to facilitate private wildlife conservation efforts. We urge the Subcommittee to favorably consider the Administration's request for $40 million and $10 million for these programs.

PARTNERSHIP INITIATIVES

National Fish and Wildlife Foundation

The National Fish and Wildlife Foundation is an excellent example of a program that effectively leverages conservation benefits. Federal support to NFWF continues to yield a return of nearly $3 for every single taxpayer dollar. Since its creation in 1984, NFWF has supported over 5,756 grants and leveraged over 230 million federal dollars for more than 700 million dollars in on-the-ground conservation. We recommend appropriations of $14 million for the USFWS, $4 million for the BLM and $4 million for the Forest Service.

North American Wetlands Conservation Fund and Joint Venture program

The North American Wetlands Conservation Fund (NAWCF) supports implementation of the North American Waterfowl Management Plan and other initiatives that protect, restore, or enhance habitat for wetland-dependent migratory birds. Working with a variety of partners in Canada, Mexico, and the United States, it matches federal dollars at more than 2:1. The Conservancy urges $55 million for this extraordinarily successful program. The Conservancy is also supportive of Congress' and the Administration's continuing commitment and support for the Joint Ventures. In the fiscal year 2003 Appropriation Act, Congress recognized the need for increasing support for Joint Ventures and urged the Service to request additional funding in the fiscal year 2004 budget The Conservancy is pleased that Joint Venture funding has been increased and supports the Service's request for $10.4 million for the Joint Venture program.

Neotropical Migratory Bird Conservation Fund

We support funding for this new and promising program at its authorized level of $5 million. Significantly, it can secure conservation gains by leveraging partnership investments throughout the Western Hemisphere. The Service should continue to administer this grant program through its division of bird habitat conservation, following the model of the North American wetlands conservation program.

INTERNATIONAL PROGRAMS

The Conservancy recommends a total of $14 million to the programs identified in the FWS' Multinational Species Conservation Fund. We propose, however, that the

Committee appropriate $9 million for the Rhinoceros/tiger, Elephants and Great Ape funds and appropriate separately $5 million to the Neotropical Migratory Bird Conservation Fund. The U.S. Forest Service's International Programs address biodiversity challenges to forests worldwide. An increase of funding to $10 million would enhance current efforts to protect migratory birds. The NPS Office of International Affairs should be funded at $2 million so that the National Park Service—global leaders in conservation—can expand its collaborative activities to assist international partners in creating and managing parks and other protected areas.

Thank you for the opportunity to present The Nature Conservancy's comments on the Interior budget.

FISCAL YEAR 2004 LAND AND WATER CONSERVATION FUND PROJECTS RECOMMENDED BY THE NATURE CONSERVANCY

LWCF project	TNC request
BUREAU OF LAND MANAGEMENT:	
Henry's Lake ACEC, ID	$1,000,000
Otay Mountain/Kuchamaa HCP,CA	2,000,000
Santa Rosa/San Jacinto Mountains NM, CA	2,000,000
Upper Snake/South Fork Snake River, ID	2,000,000
Subtotal	7,000,000
U.S. FISH AND WILDLIFE SERVICE:	
Alaska Pennisula NWR (Pavlof Bay), AK	750,000
Baca NWR, CO	9,000,000
Cache River NWR, AR	2,500,000
Cahaba River NWR, AL	1,500,000
Cape May NWR, NJ	2,000,000
Dakota Tallgrass Prairie WMA, ND/SD	1,000,000
Key West NWR, FL	1,500,000
Lower Hatchie NWR, TN	1,800,000
Lower Rio Grande Valley NWR, TX	2,300,000
Massasoit NWR, MA	530,000
Ninigret NWR, RI	825,000
Northern Tallgrass Prairie NWR, MN/IA	1,000,000
Red River NWR, LA	3,000,000
Red Rock Lakes NWR, MT	750,000
Rocky Mountain Front Conservation Easement Program, MT	1,000,000
San Diego NWR, CA	4,000,000
San Joaquin NWR, CA	3,000,000
St. Marks NWR, FL	1,600,000
St. Vincent NWR, FL	2,250,000
Stewart McKinney NWR, CT	1,500,000
Subtotal	45,030,000
NATIONAL PARK SERVICE:	
Big Thicket National Preserve, TX	5,400,000
Fire Island National Seashore, NY	1,500,000
Great Sand Dunes National Monument, CO	2,000,000
Hawaii Volcanoes NP (Kahuku Ranch), HI	6,500,000
Obed Wild and Scenic River, TN	1,600,000
Pinelands National Reserve, NJ	3,000,000
Timucuan Ecological and Historic Preserve, FL	2,500,000
Subtotal	22,500,000
U.S. FOREST SERVICE:	
Chattahoochee-Oconee NFs, GA	2,500,000
Chequamegon-Nicolet NF, WI	4,500,000
Delta NF, MS	2,000,000
Francis Marion NF, SC	3,500,000
Hoosier NF, IN	1,750,000
Los Padres NF, CA	3,000,000
Monongahela NF, WV	1,800,000
National Forests in Alabama, AL	2,300,000

FISCAL YEAR 2004 LAND AND WATER CONSERVATION FUND PROJECTS RECOMMENDED BY THE NATURE CONSERVANCY—Continued

LWCF project	TNC request
Prescott NF, AZ	900,000
Shawnee NF, IL	1,200,000
Skagit River, WA	2,000,000
Sumter NF, SC	2,000,000
Wenatchee NF (Tieton River), WA	1,075,000
Subtotal	28,525,000
Total	103,055,000

PREPARED STATEMENT OF THE NORTHERN FOREST ALLIANCE

The 26-million-acre Northern Forest stretching from Maine's St. Croix River through New Hampshire and Vermont to the Adirondacks and Tug Hill in New York is a lifeline to millions of Americans. Clean air, clean water, wilderness and abundant wildlife are but a few of the gifts the forest offers to the 70 million people living within a day's drive. The forest's capacity to grow quality timber for high-value manufacturing; to lure visitors with breathtaking displays of natural beauty; and to showcase a rich cultural and historical tradition are the cornerstones on which to build a robust regional economy.

The Northern Forest Alliance is a coalition of more than 40 state, regional and national organizations dedicated to the protection and stewardship of the region. Together we represent the interests of more than one million people. On behalf of the Alliance I am submitting testimony in strong support of several Northern Forest Forest Legacy projects, a significant increase in funding for the Forest Legacy Program to at least $150 million, and for full funding of the Land and Water Conservation Fund. Also, as you know, in 2000 Congress approved Title VIII, the Conservation Trust Fund (Title VIII), which should be funded in fiscal year 2004 at $2.08 billion, as originally authorized. It is critical for conservation efforts not only in our region but across the country that the array of programs included in this title be fully funded.

THE CASE FOR SIGNIFICANTLY INCREASED FUNDING FOR THE FOREST LEGACY PROGRAM

In recent years the number of compelling projects in need of funding under the Forest Legacy Program, along with its popularity, has grown exponentially. A major reason for the success of the program is that the conservation mechanisms available under the program are able to address a range of legitimate conservation needs of the 21st century: the program enables landowners to retain ownership of their land and continue to earn income from it; conserves open space, scenic lands, wildlife habitat, and clean water; and ensures continued opportunities for outdoor recreational activities such as hunting, fishing, and hiking. In addition, with its minimum requirement of 25 percent non-federal matching funds, the program leverages state and private dollars to complement federal money, creating partnerships that have lasting value.

Authorized by Congress in 1990, the Forest Legacy Program helps preserve working forestlands and protect critical resources. As our population grows and land values rise, many private productive forests are in danger of conversion to housing subdivisions or second-home development. The United States loses more than half a million acres of privately-owned timberland to development each year. These changes are impacting the economic integrity of our forest-based communities, and they are also limiting the amount of recreational open space and critical wildlife habitat we all enjoy. The Forest Legacy Program, administered by the U.S. Forest Service through grants to states, provides a mechanism and a small pot of federal funds for protecting forestland and the multiple benefits these lands provide. It is increasingly apparent, however, that the modest funds historically provided for this program, despite the increase in fiscal year 2003, is woefully inadequate to meet current and future projected demand.

FOREST LEGACY SUPPORTS WORKING FORESTS

A central purpose of the Forest Legacy Program is to ensure the continuation of a traditional working forest rather than fragmentation and subdivision. Under a

Forest Legacy easement, the landowner or other parties may continue to harvest timber according to the terms of the agreement. If a landowner chooses to sell the timber harvesting rights, they may do so, but under many existing Forest Legacy easements, the landowner has retained harvesting rights and agreed to specific language governing harvest methods.

With a tradition of using the forest that goes back hundreds of years, Northern Forest residents are not eager to see the forest subdivided and the lakeshores built up. Converting woods to house lots puts an end to local forest dependent businesses ranging from timber and paper production to guiding and cultural tourism. Breaking up the forest disrupts wildlife and jeopardizes water quality. Private driveways and "No Trespassing" signs change the culture and character of the region. And so local residents have banded together to identify the most important places that are for sale. They're working with state agencies, legislatures, non-profits and private donors to protect more than 800,000 acres in the Northern Forest from development this year.

But they cannot do it on their own; they need assistance from the Forest Legacy Program to realize their goals. To meet growing national demands, the Forest Legacy Program should be funded at $150 million in fiscal year 2004. In the Northern Forest, we're depending on a $38 million investment this year to realize the potential of this public-private collaboration for protecting our intact forests. It's an opportunity that cannot be missed, for the sake of conserving a landscape, a regional economy, and a cherished way of life.

FOREST LEGACY SUPPORTS PRIVATE LANDOWNERS' RIGHTS

Through conservation easements, a landowner can voluntarily sell development rights, continue to generate economic activity, and maintain a traditional landscape for the next generation to enjoy. Through the purchase of conservation easements, a landowner's private property rights are being protected. It is the landowner who decides whether or not to limit development of their property, and they are fairly compensated for the rights purchased.

FOREST LEGACY PROMOTES PARTNERSHIPS AND LEVERAGES FUNDS

The Forest Legacy Program offers the opportunity for the federal government to work in partnership with states, local communities and private landowners to ensure that the multiple benefits found on forest lands—economic sustainability, wildlife habitat protection, and recreational opportunities—are secured for future generations. Since its inception, the program has proven extremely popular but unable to meet the demand across the nation. In fiscal year 2003 states submitted funding requests totaling over $300 million in Forest Legacy funding, yet less than a third was appropriated. In addition, several other states are in the process of enrolling in the program in the near future, increasing the demand for funding.

FOREST LEGACY IS A POPULAR AND GROWING PROGRAM

34 States are currently enrolled in the Forest Legacy Program, and several other states are currently developing plans for enrollment in the program or considering beginning the planning process.

Congressional support for the program has steadily grown, with funding levels increasing from $7 million in fiscal year 1999 to $30 million in fiscal year 2000 to $60 million in fiscal year 2001, $65 million in fiscal year 2002 and over $70 million this year. Significantly the Administration has requested more than $90 million for the program for fiscal year 2004. Even at this level, however, several properties being offered for protection by willing landowners and states through the Forest Legacy Program could not be fully funded and will have to be carried over to the following year. The Northeast in particular has an abundance of worthwhile projects and documented needs for Forest Legacy funding which will go unmet unless Forest Legacy is significantly increased or other sources of funding are identified.

The Forest Legacy Program must be funded at $150 million annually on a dependable basis to meet the nation's need for conserving large tracts of forest with easements. Legacy is an essential tool in land conservation because it enables a public/private partnership for protecting the many public benefits of large tracts of forest land. It is clear that Forest Legacy will play an important role in completing the emerging conservation projects in the Northern Forest.

SUMMARY OF NORTHERN FOREST FISCAL YEAR 2004 LEGACY PROJECTS AND FUNDING REQUESTS

[Dollars in millions]

	Acreage	Request	Project cost
Maine:			
Machias River	32,000	$2.00	$15.00
Tumbledown/Mt. Blue	30,000	3.00	15.00
Bald Mountain	10,000	1.30	4.00
Katahdin Forest	241,000	8.00	50.00
Northern Tier: Boundary Mtns. to Nahmakanta	500,000	5.00	35.00
New Hampshire: 13-Mile Woods	5,300	2.00	3.80
Vermont:			
Monadnock to Victory Basin	3,524	1.50	1.90
Mallory Brook	490	0.25	0.40
Chittenden County Uplands	8,515	4.15	4.15
New York:			
Domtar-Sable Highlands	105,000	5.00	8.50
Moose River Corridor	5,600	2.00	9.70
Headwaters of the Hudson—Tahawus	11,200	3.50	7.00
Property Mileage Request:			
Vermont: Long Trail	2.5	0.20	.....

LWCF—STATE PROGRAM

Vermont workers whose employer had closed its plant in Island Pond. With this and other aid, a group of employees has started a new business, which now produces its own furniture line. In New York, the same program has helped the community of Tupper Lake establish a Natural History Center of the Adirondacks, a focal point for future nature based tourism in the area. Significant funding is needed nationally and in the Northeast Region to keep these valuable, results-oriented programs active in Northern Forest communities.

AGENCY/PROGRAM REGION REQUEST

ECONOMIC PROGRAMS

[In millions of dollars]

Program	Amount
USDA State and Private Forestry Division:	
Forest Land Enhancement Program National	22
Economic Action Programs Northeast	10
USDA Rural Development Division: Rural Business Enterprise and Opportunity Grants Northern Forest States	4

NEW PARTNERSHIPS

Without a new partnership with the federal government, however, even these landmark state funding programs cannot meet the conservation challenges in the Northern Forest. Millions of acres of forest, clean rivers, and pristine lakes need to be protected in this most densely populated part of our country. We are poised now on the cusp of an historic opportunity to protect the cherished landscape of the Northern Forest, a mainstay of the economy, ecology and culture of the Northeast.

We challenge Congress to fund the Forest Legacy Program at a minimum level of $150 million, to fully fund the Land & Water Conservation Fund at $900 million annually, and the Conservation Trust Fund at $2.08 billion to meet the conservation needs of the 21st century.

Mr. Chairman, as we begin the 21st Century we are faced with an historic opportunity to conserve places of extraordinary natural and public value. The work of protecting and caring for these special places must be a partnership that engages government, businesses and non-profit organizations. But federal funds, leadership and expertise are a critical element of this partnership. We urge the continued commitment of Congress to work with the people of Maine, Vermont, New Hampshire and New York to protect these irreplaceable resources. Thank you for considering our request.

PREPARED STATEMENT OF THE SIERRA NEVADA ALLIANCE

Mr. Chairman, the Sierra Nevada Alliance (the Alliance) would like to thank you for the opportunity to comment and make recommendations on the fiscal year 2004 Department of the Interior and Related Agencies Appropriations bill. I write these comments on behalf of the Alliance, a 10-year-old organization dedicated to protecting and restoring the natural values of the Sierra Nevada while promoting sustainable communities. Our top priorities include:

—Continuation and full funding for the Interior portion of the Conservation Trust Fund (Land Conservation, Preservation and Infrastructure Improvement Fund) at $1.56 billion;

—Within the Conservation Trust Fund, $450 million for Land and Water Conservation Fund Federal land acquisition; and

—Within the Conservation Trust Fund, $150 million for the Forest Legacy program.

We also urge you to maintain the integrity of both the Conservation Trust Fund, and of the Land and Water Conservation Fund. Adequate funding for the programs discussed below is vital to protect the Sierra Nevada's wild areas and environmental values.

The Sierra Nevada range covers 18 counties and two States, California and Nevada. Our range has over 50 percent of the species of California, supplies over 60 percent of California's water and much of Nevada's, and is a world renown destination for recreation. Much of the value of our region and its ability to fuel the Sierra economy is due to the conservation of wildlife, recreation, and natural treasures. Consequently, funding provided by the Subcommittee for Federal conservation programs is of vital importance to every resident and visitor of the Sierra Nevada.

PLEASE PROVIDE FULL FUNDING FOR THE CONSERVATION TRUST FUND

We respectfully urge the Subcommittee to provide full funding for its portion of the Conservation Trust Fund (CTF) at $1.56 billion for fiscal year 2004. The Conservation Trust Fund was established by Congress in 2000 to address the chronic underfunding of our nation's conservation, recreation, wildlife, and cultural treasures' needs.

We thank the Subcommittee for providing support for CTF programs under the jurisdiction of the Interior Appropriations Subcommittee for fiscal year 2001 and fiscal year 2002. However, we are troubled by the drop of over $400 million in total CTF funding in the final fiscal year 2003 Omnibus appropriations bill, and by the cut of nearly $600 million in the President's fiscal year 2004 budget. We strongly urge you to maintain Congress' commitment to the CTF for fiscal year 2004 by providing the dedicated funding level of $1.56 billion for Interior appropriation's programs.

Additionally, Congress should reject the proposal in the President's budget to erode the fund's original purposes by cutting funding for its authorized programs, such as the Land and Water Conservation Fund and State and Tribal Wildlife grants.

Land and Water Conservation Fund.—Within the CTF, we urge the Subcommittee to reject the Administration's proposal for the Land and Water Conservation Fund (LWCF), and instead to provide at least $650 million for LWCF's original, authorized programs, including $450 million for Federal Land Acquisition. LWCF has been a premier tool to fund two things: Federal land acquisition and a State assistance program. This year, the Administration masked cuts of over 50 percent in real land acquisition by adding in new programs. Funding in the President's Budget for National Park Service, Fish and Wildlife Service, Bureau of Land Management and U.S. Forest Service land acquisition is cut from a combined total of $429 million enacted in fiscal year 2002 to $187 million proposed for fiscal year 2004. Americans have long relied on Federal land acquisition to protect and complete its parks, forests and refuges, and the Administration's cuts would result in smaller, more degraded lands and fewer recreation experiences.

Federal acquisition of these lands is necessary to address grave, immediate environmental threats with the potential for permanent damage, and to help protect and restore wildlands of significance (e.g. those with rare ecosystems, endangered species, and/or other special qualities).

ADDITIONAL AGENCY APPROPRIATIONS RECOMMENDATIONS

Fund U.S. Forest Service Conservation Programs.—The U.S. Forest Service is the largest single land owner in the Sierra Nevada, owning 38 percent of all Sierra lands. These Forest Service lands provide a vast array of popular recreational oppor-

tunities for millions of Americans. Outdoor recreation contributes more to the Sierra Nevada economy than any other use of the National Forest System. Despite this, many important conservation programs that help maintain Forest Service lands' recreational and ecological components are chronically underfunded, while programs that harm our national forests have traditionally received too much funding. We urge the Subcommittee to provide $76 million for Wildlife, Fish, Watershed and Atmospheric Sciences Research, approximately a $25 million increase over the fiscal year 2004 President's Budget request. Here in the Sierra, our aquatic ecosystems are the most impaired systems in the range and further assessments of our watersheds are greatly needed. We also recommend $285 million for the Recreation, Heritage, and Wilderness Program, an increase of $30 million, as well as $200 million for the Wildlife and Fisheries Habitat Management Program, an increase of $65 million.

Provide Funding for the purchase of California Wilderness Inholdings on National Forest Service Land.—There are about 25,000 acres of inholdings in National Forest Wilderness Areas within California. Numerous inholdings exist in the Sierra Nevada. Each year, numerous private inholdings are offered for sale by the landowner. It is essential that the Forest Service acquire these lands as they become available to protect the ecological integrity of the wilderness areas. For fiscal year 2004, we are requesting $2,5000,000 to purchase available inholdings. There is a pressing need for consistent funding for these forest inholdings as they become available. Annual funding allocated specifically for critical forest inholdings would allow the Forest Service to purchase land on a prioritized need basis to prevent development of lands and protect areas of significant ecological value.

We are also concerned that the proposed fiscal year 2004 President's Budget's for the Forest Service Research and Development account falls $8 million short of the $260 million needed to prevent the further erosion of scientific capability within the Forest Service. Additionally, the Alliance strongly urges the Subcommittee to restore funding to the Rehabilitation and Restoration program at the fiscal year 2001 level of $142 million; and to fund Deferred Maintenance and Infrastructure Improvement at the fiscal year 2002 level of $60 million. These two funds are critically important for mitigating environmental impacts after severe wildland fire events and for reducing the $8 billion road maintenance backlog. The Sierra has a history of suppressing fires and future wildland fire events will occur. It is imperative that the Forest Service have the resources to address these severe fires, ideally pro-actively as well as in response. Therefore, we request that you avoid endorsing the President's proposal to reduce the number of wildland firefighting crews and engines by 53 percent, but instead at least double the wildland fire budget to prepare for a fire season similar to 2000 or 2002.

Fund National Park Service Protection of Natural and Cultural Resources.—The Sierra Nevada Alliance is grateful for the continued support of the National Resource Challenge, but an increase of $12.4 million is needed to bring its funding level to $80 million. As a member of Americans for Our National Parks, we recommend an additional $178 million over the enacted fiscal year 2003 levels in Park Operations to adequately protect the natural and cultural resources of the National Park system, bringing the total NPS Operations appropriation to $1.63 billion. In the Sierra we have both Yosemite National Park and Kings Canyon/Sequoia National Parks. Both these heavily visited parks need funding to protect the natural resources and ensure visitors for years to come enjoy the same beautiful and inspiring environment we do today.

Fund Protection of Bureau of Land Management Lands.—In the Sierra Nevada, 11 percent of our lands are managed by BLM, including numerous wilderness areas and wilderness study areas. The President's fiscal year 2004 Budget proposes $43 million for the National Landscape Conservation System (NLCS), including an increase of $2.7 million for operations. This funding increase is vital to protect the these important lands.

For BLM overall, the Alliance recommends an increase of $2 million for Resource Management Planning above the fiscal year 2004 President's Budget request of $48 million, to ensure effective public participation and outreach for new planning starts.

We also endorse the Interior Department's multi-agency Invasive Species Initiative, and urge the Subcommittee to provide the full $9 million increase for its programs proposed in the fiscal year 2004 President's Budget. In the Sierra, numerous land trusts and watershed councils have identified significant problems with invasive weeds which require support for their eradication to restore the natural ecosystem.

In summary, the Sierra Nevada is a unique and valued region of this nation, and full and adequate funding of Federal conservation programs is necessary to protect

and restore these vibrant lands. Given that over 50 percent of our Sierra lands are federally owned and managed, significant cuts to the programs mentioned above have considerable negative impacts for the Sierra. I strongly encourage your committee to do everything in its ability to fully fund the conservation programs mentioned above, for the sake of millions of Americans and future generations. Please provide $450 million for Federal LWCF, and $2.08 billion for the Conservation Trust Fund.

Prepared Statement of the Society of American Foresters

The Society of American Foresters (SAF) represents more than 17,000 forestry professionals. SAF's primary objective is to advance the science, technology, education, and practice of professional forestry for the benefit of society. We offer this testimony for the fiscal year 2004 budget for the Department of Interior and Related Agencies. With the understandable restriction on the length of this testimony, it is difficult to provide the in-depth analysis we would normally provide The table below details those items for which we offer suggestions that differ significantly from the Administration's proposal.

[In thousands of dollars]

Discretionary appropriations	Fiscal year 2003 enacted	Fiscal year 2004 proposed	SAF request
Forest Inventory and Analysis [1]	55.1	43.3	67.7
State and Private Forestry:			
Forest Health Management—Federal	50.0	44.5	50.0
Forest Health Management—Cooperative	30.8	25.1	31.0
Emerging Pest and Pathogens Fund	.....	12.0	20.0
State Fire Assistance	25.5	25.4	28.0
Volunteer Fire Assistance	5.0	5.0	6.0
Community and Private Land Fire Assistance	.....	.....	35.0
Forest Stewardship	32.0	65.6	50.0
Watershed Forestry Assistance	.....	.....	16.0
Forest Legacy Program	68.4	90.8	100.0
Urban and Community Forestry	36.0	37.9	40.0
Economic Action Programs	26.3	.....	28.7
International Forestry	5.7	5.1	6.0
Total	284.7	315.8	410.7
National Forest System:			
Land Management Planning	71.7	70.9	72.2
Forest Products	263.6	268.0	271.1
Expedited Consultation	.....	.....	15.0
Total	1,353.4	1,369.6	1,374.0
Wildland Fire Management:			
Preparedness	612.0	609.7	640.0
Fire Operations	418.0	604.6	605.0
Hazardous Fuels	226.6	231.4	262.1
Rehabilitation and Restoration	7.1	.....	63.0
Fire Research and Development	21.2	21.4	23.0
Joint Fire Sciences Program	7.9	8.0	.....
Forest Health Management—Cooperative	9.9	5.0	5.0
Economic Action Programs	5.0	.....	12.5
State Fire Assistance	46.2	46.5	58.0
Volunteer Fire Assistance	8.2	8.2	10.0
Total	1,371.0	1,541.8	1,695.6
Capital Improvement and Maintenance:			
Facilities	202.3	200.9	202.3
Roads	231.3	245.4	245.4
Infrastructure Improvement	45.6	.....	24.0

[In thousands of dollars]

Discretionary appropriations	Fiscal year 2003 enacted	Fiscal year 2004 proposed	SAF request
Total	548.5	524.6	550.0
Land Acquisition/L&WCF Total	132.9	44.1	50.0
Other Appropriations	10.3	10.0	10.3

[1] This includes funding normally allocated to S&PF, NFS, and Research. We propose creating a separate line item for FIA.

Forest and Rangeland Research.—The forest health issues we are currently facing as a nation require an increased emphasis on research to achieve solutions. Increases in funding will help increase capacity. The Agency should also look to innovative partnerships with universities to further leverage research funding.

Forest Inventory and Analysis.—The FIA program provides a clear understanding of forest resources, integrating data across all ownership boundaries. This information is crucial to ensuring forest management decisions are based in fact. We are concerned with the Administration's proposed cuts to the FIA program. To achieve the mandates of the 1998 Farm bill, producing an overall assessment of the nation's forest resources in a timely manner, FIA program funding must be set at a minimum of $67.7 million for fiscal year 2004. We also propose creating a separate line item for the FIA program. There is confusion in funding FIA through various line items. Consolidation will provide a complete understanding of all funds available for the FIA program.

Fire Research.—Last year's wildfires burnt over 7.1 million acres, we must learn from these fires through research and transfer findings to those in the field. Improvements in fire management and proper implementation of the National Fire Plan can only be realized with scientific discovery, validation, and application supplied by critical research programs in partnership with all sectors of forestry research including colleges, universities, and private sector researchers.

State and Private Forestry.—S&PF programs are a vital component of the sustainable management of the nation's forests. These programs focus on more than half of the nation's forest land, which supply clean water and air, recreational opportunities, and forest products. Development pressures are the primary threat to the sustainability of private forests. S&PF programs provide tools to help the 9.9 million landowners resist development pressures and sustain their forests for the nation's benefit.

Community and Private Land Fire Assistance.—We support full funding for this program as authorized in the 2002 Farm Bill. The program enables communities to coordinate wildfire protection planning as well as undertake special restoration/hazardous fuel reduction projects, combat invasive species and build local markets for small-diameter materials. The one ingredient broadly lacking in the National Fire Plan is local county/community involvement. This program gives locals the needed incentive to engage in the National Fire Plan.

Forest Stewardship, Forest Legacy, Forest Land Enhancement Program.—Private forest lands in the United States are increasingly threatened by several factors, including development pressures, the increasing need for forest products and services, as well as forest health concerns. The Federal government has an obligation to ensure these forests are managed sustainably, as they provide numerous public goods and services.

While we appreciate the proposal to allocate additional funding for the Forest Stewardship Program, as an alternative, we suggest that the proposed $16 million initiative to fund certain predefined stewardship projects on a competitive challenge cost share, should be eliminated and instead the funding should be allocated for a new program, the Watershed Forestry Assistance program. This program, originally proposed during debate on the 2002 Farm Bill, would address watershed and water quality issues on private lands in cooperation with State agencies. This program is similar to the Watershed Restoration and Enhancement Agreements legislative proposal contained in the 2004 budget.

Emerging Pests and Pathogens Fund.—Invasive species, insects, and disease pose increasing threats to our public and private forests. There is a need for a cooperative approach to addressing this issue across ownership boundaries, as these invaders do not respect property lines. In 1998, over 54 million acres of forest land were affected by various insect and diseases. Invasive species are increasingly a threat, contributing to the decline of 46 percent of imperiled or endangered species in the United States, second only to habitat degradation and loss. This program will help

address these problems through rapid response to this overwhelming threat affecting the health and sustainability of forest resources across the country.

Economic Action Programs.—We strongly oppose elimination of funding for Economic Action Programs. Local communities utilize these funds to build their capacity to and contribute to sustainable forest management. Through EAP, Communities are able to assist with fuels reduction and other forest health projects and utilize the byproducts of this work.

National Forest System.—Because of rising stand densities and mortality rates, the NFS lands are increasingly at risk of fire, insect, and outbreaks, and invasive species. There is a need for active and continuous forest management as current management levels are not adequate to address forest health issues and provide the multiple uses for which these lands were established. There is a need for revision and clarification of the laws and regulations that govern national forest management in light of the changing public values, administrative agendas, court decisions, and federal environmental laws that have shifted the emphasis of land management. Without adjustments, we fear we will continue to see delays and increasing costs for the land management agencies. SAF will continue to work with Congress and the Administration to address these issues.

One such example of the increasing cost and delay in land management is the timber sale component of the Forest Products Program. The budget documents indicate timber sales can take up to 8 years to complete. This is unacceptable. Timber harvesting is a legitimate use of national forests and BLM public lands, as the multiple-use mandates make clear. Current harvesting levels are insufficient to maintain forest health, to meet the goals for hazardous fuel reduction to reduce wildfire and the risk of insect and disease outbreaks in the nation's forests and provide economic and community benefits.

Adequate funding for land management planning is also necessary to ensure the Agency continues with the revision schedule for forest plans. With 39 plans in progress, and another 52 plans that will need revision in the coming years, the Agency cannot afford backlogs in planning.

Expedited Consultation.—Without additional funds for the Forest Service and the Bureau of Land Management to support consultation required under the Endangered Species Act with the Fish and Wildlife Service, the land management agencies will be unable to do much needed work in a timely manner, such as fuels reduction and insect and disease mitigation activities.

Wildland Fire Management—Congress, the Administration, the Western Governors, the State Foresters, the SAF and numerous others have expressed strong support for the National Fire Plan, and its four goals: improve fire prevention and suppression, reduce hazardous fuels, restore fire-adapted ecosystems, and promote community assistance. However, the proposed budget does not reflect this support, particularly with the elimination of funds for Rehabilitation and Restoration as well as the minimal increase in funding for preparedness and hazardous fuel activities. Funding for the National Fire Plan needs to be a sustained effort that will enable the nation as a whole to develop a long-term solution.

Rehabilitation and Restoration.—In the proposed budget, this account was eliminated. The funds allocated to rehabilitation and restorations were placed in suppression accounts, which can be utilized for Burned Area Emergency Rehabilitation activities. Other less immediate fire-related rehabilitation and restoration projects, normally funded by the Rehabilitation and Restoration account, will be prioritized within relevant programs along with other non-fire projects to ensure accomplishment of the highest priority projects given limited funding. While this rationale is consistent with the philosophy of local forest management, we do not believe this is consistent with the goals of the National Fire Plan. This funding allocation requires managers to make tradeoffs, when clearly; Congress, the Administration, and others who support the National Fire Plan believe fire-related rehabilitation and restoration activities should be a priority. If however, this is the direction that Congress chooses, the funds previously allocated for rehabilitation and restoration, should be re-allocated to the relevant program accounts (i.e. Vegetation Management, wildlife management, etc.) were the project funding would actually come from under this proposed strategy. The funds should not be allocated to suppression, which does not fund these non-emergency projects.

Capital Improvement and Maintenance.—The proposal to fund the deferred maintenance projects through the facilities, roads, and trails line items, is somewhat unclear. The deferred maintenance backlog within the Forest Service is unacceptable, the Agency should work to address this problem, not ignore it. If funding for this deferred maintenance is to come from the other line items, there should be increases in those items to pay for those projects. We encourage the Agency to adopt a prioritization system for these projects and forward with implementation.

National Forest Foundation.—The National Forest Foundation continues to provide outstanding leadership in natural resource management, providing valuable programs and services to the Agency and the public. We encourage you to increase funding for the NFF.

Bureau of Land Management.—The BLM manages a total of 262 million acres of public lands, 55 million of which are forested lands. There is a significant disconnect between the number of acres of forest land the BLM manages and the number of forest management experts that are employed by the BLM. Congress should appropriate increases in funding to address this disconnect, especially in light of the additional authority granted under under the Stewardship Contracting provisions.

PREPARED STATEMENT OF THE TUMBLEDOWN CONSERVATION ALLIANCE

Thank you for the opportunity to offer this testimony. I am writing on behalf of the Tumbledown Conservation Alliance (TCA). TCA is a nonprofit organization in Maine that is dedicated to land conservation efforts in the Mt. Blue/Tumbledown Mountain region of western Maine. I am writing specifically in regards to current land protection efforts that are underway for Tumbledown Mountain.

TCA hopes that the Subcommittee on Interior and Related Agencies (Committee on Appropriations) will support $3 million in fiscal year 2004 funding from the Forest Legacy program to go towards the protection of Tumbledown Mountain. A lot of progress has been made to date on this effort with the recent protection of 11,600 acres of land on and adjacent to the Tumbledown Mountain range.

The Tumbledown Mountain range is one of the most popular hiking areas in the State. The parcels under consideration are essential for protection of the range and all of its popular trails. The $3 million in fiscal year 2004 Forest Legacy funding would allow the State of Maine to complete the protection of Tumbledown and would be used to permanently protect important timberland, trailhead areas, wildlife habitat, and trails. The President's fiscal year 2004 budget includes a request for Forest Legacy funding for Tumbledown Mountain and we hope that Congress and the Appropriations Committees will do the same. This effort to complete the protection of Tumbledown is part of a larger effort by the State of Maine, non-profit organizations, residents and visitors to conserve over 30,000 acres in the Mt. Blue/Tumbledown Mountain region of Maine.

The Tumbledown Conservation Alliance requests that you support $3 million for the fiscal year 2004 Forest Legacy Program for Tumbledown Mountain. Thank you for your consideration.

PREPARED STATEMENT OF THE WILDLIFE MANAGEMENT INSTITUTE

The Wildlife Management Institute (WMI) is submitting its comments on the U.S. Forest Service's (FS) proposed budget for fiscal 2004. WMI is a scientific, educational non-profit organization that is staffed by professional wildlife biologists and is committed to the sustainable management of wildlife populations and habitats throughout North America. For 92-years we have worked closely with the FS to identify wildlife conservation needs and resource management solutions. Our following comments support a majority of the Administration's budget requests but includes recommendations for a $25 million increase for the National Fire Plan's restoration and rehabilitation account and a $19 million increase for the Forest Service's research and development program.

NATIONAL FOREST SYSTEM

Overall, WMI supports the Administration's proposed budget for the National Forest System: $134.8 million for wildlife and fish habitat management and $192.6 million for vegetation and watershed management. This proposal represents essentially flat level spending for the FS, which is definitely appropriate at a time when our nation is in war. It is important to note, however, that at least $65 million is needed to address documented needs for wildlife and fish habitat improvements. The Forest Service has succeeded in using partnership dollars to chip away at deferred conservation projects, but wildlife and fish habitat management on national forests and grasslands should not depend only on the assistance of generous partners. In fiscal 2002 alone, over $5.8 million in FS dollars leveraged almost $13.3 million (includes in-kind contributions) to complete approximately 719 forest and grassland projects. WMI encourages your subcommittee to expand the wildlife and fish habitat management account to the degree that current circumstances allow.

Similarly, the vegetation and watershed management account needs an additional $49.4 million to restore and conserve a variety of ecosystems, including aspen, sagebrush, early successional forests, prairies/grasslands and old growth forests. Proactive habitat management benefits not only wild animals and the recreational users that depend on them, but can simultaneously meet the goals of the President's Healthy Forest Initiative (HFI) and National Fire Plan (NFP). Therefore, WMI requests that the biological and ecological needs of wildlife and fish serve as one of the primary factors that guide the implementation of the HFI and NFP.

Lastly, the spread of non-native, invasive plants is a major problem among all rangelands, grasslands and forests. Invasive species thrive in disturbed environments, such as land areas that have been burned or used for road construction. Since fiscal 2001, substantially fewer National Forest System acres have been treated to control or eradicate invasive plants. Using vegetation and watershed management funds, nearly 144,000 acres were treated in fiscal 2001 but only 100,570 acres were planned for treatment in fiscal 2003 and 75,331 acres are planned for treatment in fiscal 2004. Because the annual economic cost of invasive plants for farmers, livestock ranchers and wildlife and fish agencies is estimated at $38 million, WMI urges your subcommittee to direct the FS to increase its focus on invasive species management and to treat at least 25,000 more acres in fiscal 2004. We believe the FS can realize this goal by integrating invasive species management into the objectives of the wildlife and fish habitat management program. Deferring this action results in significantly escalated costs in outlying years.

STATE AND PRIVATE FORESTRY

WMI applauds the Administration for significantly increasing the funding accounts for Forest Legacy ($91 million total request) and requesting $25 million for the Forest Land Enhancement Program (FLEP; previously known as the Stewardship Incentives Program and Forestry Incentives Program). Forest Legacy projects use conservation easements to protect non-industrial private forests that are at risk for conversion to other uses. Private forests provide valuable habitat to wildlife and approximately 300,000 acres are currently enrolled in the program. However, the FS has identified 1.7 million private forest land acres for protection. Thus, WMI asks your subcommittee to endorse the Administration's $91 million request for Forest Legacy and to promote similar spending increases in the future as well.

NATIONAL FIRE PLAN

WMI is deeply troubled by the Administration's proposal to zero out the NFP's restoration and rehabilitation account. In fiscal 2001, this account received $141.7 million, which decreased to $62.7 million in fiscal 2002 to $0 in fiscal 2004. The restoration and management of burned lands is a multi-year project and should not be funded solely by the National Forest System's accounts for wildlife and fish management and vegetation and watershed management, as proposed by the Administration. Since 2000, catastrophic wildfires have occurred on 19.2 million acres of forests and rangelands and the FS is preparing for another season of intense wildfires. WMI urges your subcommittee to appropriate at least $25 million for the restoration and rehabilitation account. Additionally, the FS must be directed to prepare realistic fire suppression budgets to ensure the agency does not have to borrow money form National Forest System accounts to combat future wildfires. Failure to adequately fund these programs will result in both near- and long-term excessive costs to taxpayers.

RESEARCH AND DEVELOPMENT

The Administration proposes flat level spending for research and development activities concerning wildlife and fish habitat ($18.164 million and $8.572 million, respectively) and watersheds ($18.477 million). WMI encourages your subcommittee to at least support these funding requests. However, please note that the Forest Service's wildlife and fish research units have identified a $19 million funding need for research questions concerning the HFI and invasive species. For example, it is unclear how certain mammals, such as bats and forest carnivores, for which research funding is lacking, will respond to the removal of small diameter timber (need is $1.5 million). Also, landscape level research is needed to fully assess the impacts of HFI activities (need is $1 million). As for invasive species research, it remains unclear how non-native plants and animals impact native fish and wildlife populations and how native wildlife and fish populations respond to invasions of non-native organisms (need is $2.5 million). WMI asks your subcommittee to address these additional research needs to the best of your ability.

In closing, WMI remains concerned by the Forest Service's transition to the Budget Formulation and Executing System. This budget structure relies upon broad performance measurements (e.g., acres of improved terrestrial habitat and number of products provided for information and education). This approach makes it impossible for FS partners to track services provided or benefits received among specific programs. The agency's new accounting process further exacerbates this problem because it groups work activities for wildlife, fish and listed species under one budget line item. To ensure FS projects are transparent and accessible for public review, WMI urges your subcommittee to direct the FS to use more specific budget line items when explaining how requested and appropriated dollars will be spent.

Thank you for reviewing our comments, and we hope to work with you throughout the appropriations process. If you or your staff would like to discuss our recommendations further, please contact me or Terry Riley, Director of Conservation, at (202) 371–1808.

PREPARED STATEMENT OF THE WILDLIFE SOCIETY

The Wildlife Society appreciates the opportunity to submit testimony concerning the fiscal year 2004 budgets for the Natural Resources Conservation Service (NRCS), Farm Service Agency (FSA), Animal Plant Health Inspection Service (APHIS), and Cooperative State Research, Education and Extension Services (CSREES). The Wildlife Society is the association of almost 9,000 professional wildlife biologists and managers dedicated to sound wildlife stewardship through science and education. The Wildlife Society is committed to strengthening all federal programs that benefit wildlife and their habitats on agricultural and other private land.

NATURAL RESOURCES CONSERVATION SERVICE

Farm Bill Technical Assistance.—We applaud Congress for passing the 2002 Farm Bill, which authorizes the U.S. Department of Agriculture to work with third party Technical Service Providers to build a solid network of certified professionals that can assist NRCS in delivering assistance to producers. However, NRCS recognizes that training will be needed to effectively prepare Technical Service Providers to assist producers and landowners. The Wildlife Society recommends that Congress provide NRCS with adequate funds to recruit land grant universities and colleges, the USDA Extension System, and professional societies to help train sufficient Technical Service Providers.

Monitoring and Evaluation.—Monitoring Farm Bill conservation programs and evaluating their progress toward achieving Congressionally established objectives for soil, water, and wildlife will enable NRCS to ensure successful program implementation. Changes to agricultural policy in the 2002 Farm Bill, such as higher funding authorizations and expanded acreage enrollment caps, necessitate the establishment of an accountability system that continuously assesses the effectiveness of conservation programs and policies. The Wildlife Society recommends dedicating mandatory funding to the monitoring and evaluation of Farm Bill conservation programs at the $10 million level approved in the Farm Bill Statement of Managers. We propose using a competitive grants process to fund a consortium of non-USDA organizations (non-governmental organizations, universities, and state organizations) for the purpose of identifying cost-saving practices, program improvements, and future funding requirements and determining the environmental and economic value of conservation expenditures.

Wetland Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP).—We would like to express our gratitude for your continued support of WRP and for authorizing WHIP in 2003. WRP is a valuable program designed to assist farmers and ranchers protect and restore wetland habitat. WHIP is a voluntary program that provides technical and financial support to farmers and ranchers to create high quality wildlife habitat. The Wildlife Society supports funding WRP at $250 million in fiscal year 2004. We are concerned that the Administration's request for WHIP, $42 million for 2004, is well below the 2002 Farm Bill's authorized amount of $275 million. The Wildlife Society recommends funding WHIP at $275 million in 2004.

FARM SERVICE AGENCY

Staff Years.—FSA requires an adequate budget to implement the Farm Bill conservation programs under its administration. The Wildlife Society is concerned that the staffing level of 16,701 FTE proposed by the Administration in 2004 is too low to address the demonstrated need of agricultural producers. The Wildlife Society

recommends that the budget include sufficient personnel funding to maintain the 2003 requested level of 19,337 FTE.

Grassland Reserve Program (GRP).—We believe the GRP will be valuable in aiding landowners in their grassland restoration efforts. The Wildlife Society supports the Administration's 2004 request of $85 million for GRP.

Conservation Reserve Program (CRP).—CRP is popular with landowners, and has resulted in significant wildlife and habitat benefits on agricultural land. Current demand for the program is on the rise, as is demand for technical assistance associated with implementation of CRP. The Wildlife Society recommends maintaining CRP enrollment at 39.2 million acres as finalized in the 2002 Farm Bill.

Forest Land Enhancement Program (FLEP).—The Forest Land Enhancement Program was created through the 2002 Farm Bill to provide financial, technical, educational, and related assistance to promote sustainable management of non-industrial private forestlands. The program is authorized at $100 million for 2002–2007, to be distributed through state forestry agencies. The Wildlife Society asks that Congress appropriate at least $20 million to FLEP in 2004 to ensure that private forestlands continue to provide sustainable forest products and protect the health of our water, air, and wildlife.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

Wildlife Services.—Wildlife Services (WS), a unit of APHIS, is responsible for controlling wildlife damage to agriculture, aquaculture, forest, range and other natural resources, for controlling wildlife-borne diseases, and for controlling wildlife at airports. Its activities are based on the principles of wildlife management and integrated damage management, and are carried out cooperatively with State fish and wildlife agencies.

The Wildlife Society is concerned about the proposed $1.5 million decrease in funding for Methods Development for 2004. Many current wildlife control tools such as traps, snares and wildlife toxicants are becoming less acceptable to the public and are being prohibited in many states as the result of public referenda. The only credible way to identify and perfect new methods is through research. However, WS funding is only adequate to cover maintenance and operating costs and no funding is being provided for the development of new innovative wildlife damage management methods. The Wildlife Society requests a $5 million increase for Methods Development to adequately continue non-lethal methods research and address the increased operating and maintenance costs.

Veterinary Services.—Chronic Wasting Disease (CWD) is a serious problem plaguing our Nation's deer and elk. The spread of CWD is draining already diminished federal and state agency budgets and is hurting local economies that depends on revenues from recreational hunting. The Wildlife Society supports the Administration's request of $14.9 million for the research, monitoring, and control of CWD.

COOPERATIVE STATE RESEARCH, EDUCATION AND EXTENSION SERVICES

Renewable Resources Extension Act.—The Wildlife Society was pleased that Congress appropriated $423,000 above the Administration's request for the Renewable Resources Extension Act (RREA) in 2003. RREA provides an expanded, comprehensive extension program for forest and rangeland renewable resources. The need for these programs is greater now than ever due to fragmentation of ownerships, urbanization, the number and diversity of landowners needing assistance, and the increasing social concern for land use and its effect on soil, water, air, and wildlife.

It is important to note that RREA was reauthorized in the 2002 Farm Bill at $30 million annually through 2007. Though RREA is proven to be effective at leveraging cooperative state and local funding, it has never been fully funded in the annual appropriations process. In fact, the fiscal year 2004 request for RREA falls back to the 2002 funding level, $4.093 million, which is insufficient for assisting private landowners who own and manage most of the nation's natural resources. An increase to at least $15 million would enable CSREES to expand its capability to assist more private landowners in improving management of private land while increasing farm revenue. Therefore The Wildlife Society recommends that the Renewable Resources Extension Act be funded at a minimum of $15 million in fiscal year 2004.

McIntire-Stennis.—The McIntire-Stennis Cooperative Forestry program funds state efforts in forestry research to increase the efficiency of forestry practices, and to extend the benefits that come from forest and related rangelands. McIntire-Stennis calls for close coordination between state colleges and universities and the Federal Government, and is essential for providing research background for other Acts, such as RREA. The Administration's fiscal year 2004 request for McIntire-Stennis

is $21.884 million, in essence level with 2002 and 2003. The Wildlife Society recommends that funding for McIntire-Stennis Cooperative Forestry be increased to $30 million.

National Research Initiative.—National Research Initiative Competitive Grants (NRI) are open to academic institutions, federal agencies, and private organizations to fund research on improving agricultural practices, particularly production systems that are sustainable both environmentally and economically, and to develop methods for protecting natural resources and wildlife. Innovative grant programs such as NRI help broaden approaches to land management, such as integrating timber and wildlife management on private lands. The Wildlife Society supports the Administration's 2004 request of $200 million for National Research Initiative Competitive Grants, and requests Congressional approval.

Thank you for considering the views of wildlife professionals. We look forward to working with you and your staff to ensure adequate funding for wildlife conservation.

DEPARTMENT OF ENERGY

PREPARED STATEMENT OF THE ALLIANCE TO SAVE ENERGY

My name is David Nemtzow, President of the Alliance to Save Energy, a bi-partisan, non-profit coalition of business, government, environmental, and consumer leaders committed to promoting energy efficiency worldwide to achieve a healthier economy, a cleaner environment and energy security. I am writing to request, generally, that funding for the energy efficiency programs of the U.S. Department of Energy be increased, and that the Buildings Technologies, and Industrial Technologies programs be restored to their fiscal year 2002 levels—$9.8 million, and $41.3 million respectively. Specifically, our top priority recommendations, totaling $8.0 million, are set forth below.

The Alliance was founded in 1977 by Senators Charles Percy (R-IL) and Hubert Humphrey (D-MN). The current Chair is Senator Byron Dorgan, and Vice-Chairs are Senators: Susan Collins; Jeff Bingaman; James Jeffords and Representative Ed Markey. Seventy-six companies and organizations currently belong to the Alliance.

The Alliance has a long history of researching and evaluating federal energy efficiency programs. We also have a long history of supporting efforts to promote energy efficiency that rely not on mandatory federal regulations, but on partnerships between government and business and between the federal and State governments. DOE efficiency programs are largely voluntary programs that further the national goals of broad-based economic growth, environmental protection, national security and economic competitiveness. The Office of Energy Efficiency and Renewable Energy does this through the development of new energy-efficient technology in cooperation with the national laboratories, by working with the private sector to deploy that technology, and by fostering energy efficiency activities in the states.

I appreciate this opportunity to comment on the fiscal year 2004 budget for energy-efficiency programs at the Department of Energy.

THE PRESIDENT'S FISCAL YEAR 2004 BUDGET REQUEST

We have two general concerns regarding the fiscal year 2004 request.

First, it proposes reductions of roughly 4 and 2 percent from fiscal year 2002 and fiscal year 2003 appropriations, respectively. Given the current volatility in energy prices, the continuing economic slowdown, and the insecurity of the nation's energy systems and supplies, we believe that now is not the time to be cutting back on investments in energy efficiency—the nation's cheapest, quickest, and cleanest energy resource.

Second, the fiscal year 2004 request proposes cutting existing and successful programs in order to pay for increases for Weatherization Assistance and the fuel cell programs. The Alliance strongly supports both of these recommendations. We have serious concerns, however, that while the Administration is proposing $674 billion in tax cuts as a part of an economic stimulus plan there are decreases in other programs that have demonstrated their ability to create jobs and stimulate the economy.

In 2001, the National Research Council found that for 17 DOE energy efficiency programs they analyzed, there was a return of $20 to the economy for every dollar invested. These rates-of-return compare favorably with most investment opportunities including the stimulus effect anticipated from tax reductions. In a time of recession and high, volatile energy prices, we should be substantially increasing our in-

vestment in these successful programs instead of using them to fund other initiatives.

By our calculation, the fiscal year 2004 budget request would reduce funding for non-fuel cell, nonweatherization programs by more than 20 percent as compared to fiscal year 2002. That includes programs with proven cost-effectiveness such as: Lighting and Appliance Standards, Energy Star, the Federal Energy Management Program, Windows R&D, support for state adoption of building energy codes and other programs that have reduced national energy demand, cut energy costs for consumers, and created jobs through the commercialization of new technologies and products. We urge that funding for the Buildings and Industrial Technologies accounts be restored to their fiscal year 2002 levels.

For example, the appliance standards program has been acknowledged by DOE to have reduced national peak electric demand by 2.5 percent. That is a huge accomplishment, achieved at a federal cost of less than $10 million per year. Equally large savings remain available assuming continued funding support. In fact, even the existing limitations on appropriations have caused DOE to fall years—sometimes up to ten years—behind on setting standards for products that could be providing savings for consumers and the economy. Moreover, Congress is poised to enact legislation that would substantially increase the number of rulemakings that DOE would be required to undertake. What is the logic of cutting this program?

Another program that was praised by the National Research Council is the Industries of the Future Program (IOF). IOF has historically worked in consultation with energy intensive industries to assess research needs and focus on the greatest value added for government R&D efforts. DOE seems to have largely abandoned this approach in the 2004 budget, cutting chemical, forest and paper products industries, and other program areas by more than 50 percent. In addition, the Administration has zeroed out efforts to continue similar successes in the buildings sector, eliminating its roadmap programs for lighting and windows. The justification for eliminating these programs appears to be that, if they are worth doing, then industry will fund it. Several analyses of government R&D efforts have shown that this does not hold true (Galvin, Yergin).

NEW MONEY IS NECESSARY

We have now had two gasoline and two natural gas price spikes in three years. Our energy prices and supplies continue their instability, costing consumers dearly to fill their gas tanks and heat their homes, and sending shocks through the economy. Robbing Peter to pay Paul is the wrong approach to national energy policy. The President's fiscal year 2004 cuts in energy efficiency are the wrong approach. We agree that new energy efficiency research objectives need to be met, but funding should be increased to do so instead of cutting back on other equally important objectives.

HYDROGEN

Hydrogen has potential to replace oil as the fuel to power our transportation system, but there are major technological problems to be solved. We cannot predict whether those hurdles will be overcome by the time those born this year will become drivers, as anticipated by the President in his State of the Union speech, or whether it will take much longer. Research and development, by its very nature, is uncertain. It is often compared to a financial investment portfolio. Diversity, and balancing risk are key considerations in developing an effective investment, or R&D, strategy. No one knows for certain whether large-scale use of hydrogen for transportation will ever become practical, let alone in the next 16 years.

Just one of the critical questions which has not yet been answered is; how to make the hydrogen? Currently, the best way to make hydrogen is from natural gas. But natural gas is currently used to heat 55 percent of American homes and is expected to fuel nearly all new domestic electric generation capacity added during the next decade. Surely, the addition of powering our extensive transportation system from natural gas will invalidate current assumptions about the future price and supply of natural gas—a commodity already undergoing tremendous price volatility.

Accordingly, we should not curtail work on increasing the efficiency with which our building and industrial sectors use natural gas, or DOE's work on improving hybrid technology and other transportation fuel efficiency technologies simply because hydrogen has the potential to be a long-term solution to transportation efficiency. Such a strategy does not properly balance the risks of failure with the likelihood of success.

ANOMALIES IN THE BUDGET REQUEST

The Alliance is confounded by certain reductions in the President's budget request between fiscal years 2003 and 2004.

For fiscal year 2003, DOE requested $6.2 million for the Energy Star program. That figure was supported in both the House and Senate Interior Appropriations bills passed last year—though reduced to $4.2 million by the Conference Committee under the stringent caps of the Omnibus legislation. The fiscal year 2004 request is for $3.7 million, a 14 percent cut from fiscal year 2003 actual appropriations and a 40 percent cut from the fiscal year 2003 request. Why does Energy Star, a program which produces $75 in savings for every dollar spent, and which received glowing support in the National Energy Plan, merit such less consideration this year than last?

Another drastic change occurred in the request for the Federal Energy Management Program. For fiscal year 2003, the President requested $27.9 million for this very successful effort to save energy in the federal government, the world's single largest energy user. FEMP has played a central role in the federal government's success in reducing energy use by 21 percent from 1985 to 2000. Nevertheless, the fiscal year 2004 request is $19.9 million. Again, there is no indication of why FEMP has been targeted for such significant reduction.

PROGRAM MANAGEMENT FUNDS

Since the reorganization of EERE last year, the budget request includes the new Program Management account, to be funded at $76.66 million in fiscal year 2004.

Previously, each of the energy-use sector programs had its own program management account to cover salaries and administrative costs. Now, these funds are consolidated in the Office of the Assistant Secretary to be disbursed at their discretion. While, the Alliance has no objection to discretion, such discretion need not preclude transparency. We believe that there should be greater disclosure regarding the intended allocation of these funds so that Congress and the public will have a clear view and understanding of the total budget that is recommended for each major program area. In fact, we remain confused about the fiscal year 2004 funding levels for some programs because it is uncertain how much of these "program management" funds they will be receiving.

EERE REORGANIZATION

Last year, our testimony presented several questions about the reorganization at EERE. After a year of experience, it is time to ask them again.

—Does the reorganization itself create shifts in program priority for EERE, and what are they?

—For which programs does the reorganization make it harder, or easier, to do business?

—How does the mandated routing of all communication activities through the Assistant Secretary's office enhance or detract from the office's ability to get its message out?

RECOMMENDATIONS

Generally, the Alliance to Save Energy recommends that the activities under the Building Technologies and Industrial Technologies sectors be restored to fiscal year 2002 levels. Specifically, the Alliance recommends the following fiscal year 2004 funding levels:

—Lighting and Appliance Standards (under Equipment, Materials and Tools)—plus $2.0 million over the request, to $11.0 million;

—Federal Energy Management Program—plus $2.0 million, to $22.0 million;

—Energy Star—plus $2.0 million, to $5.7 million;

—Industrial Best Practices (under Industries of the Future, crosscutting)—at the requested level of $8.24 million;

—Window Technologies (under Building Envelop R&D)—plus $1.0 million to $4.5 million; and

—State Building Codes (under State Energy Program, Building Tech. Assist.)—plus $1.0 million, to $2.8 million.

Other programs deserving of increased funding are: Thermal Insulation and Building Materials; Clean Cities; Industrial Assessment Centers; Industries of the Future—Specific; Building America; and Sensors and Control Technologies.

Thank you again, Mr. Chairman, for offering the Alliance to Save Energy the opportunity to submit its views, and for your support in past years for energy effi-

ciency. We hope that you share our commitment to energy efficiency and to the economic, environmental, and security benefits it offers the nation.

PREPARED STATEMENT OF THE ALLISON TRANSMISSION DIVISION OF GENERAL MOTORS, INDIANAPOLIS, IN

REQUEST

Our companies are competitively developing Heavy Duty hybrid electric propulsion systems (HD Hybrid) for Trucks and Buses. At the same time, we have pre-competitively established common objectives that we agree to jointly pursue in order to enable these products to come to market. All of our companies have encountered barriers to commercialization so significant that we have collectively agreed Federal assistance is essential to overcome them. We jointly request that the committee increase the Department of Energy's 2004 budget for the Hybrid and Electric Propulsion Program as shown in the table at the end of this testimony. The Department of Energy should be instructed to "use these additional funds for the acceleration of Heavy Duty Hybrid Development, without stipulation of vehicle fuel type, architecture or configuration, to enable the development of solutions that best meet the needs of the trucking industry".

BACKGROUND

Our goals are to develop HD Hybrid propulsion products, overcome the technical barriers that inhibit the technology and stimulate market demand for these products. In essence, we are attempting to create a new, globally competitive industrial base in the United States that will significantly benefit the Transportation sector. Our approach is to create an environment that is conducive to the accomplishment of our goals. Our plan is to educate interested parties as to why HD Trucks and HD Hybrids are important, explain why HD Trucks and HD Hybrids differ from those used in Cars, Light Duty Trucks, SUV's and Combat Vehicles, to outline why Government assistance is needed and to summarize our technology priorities.

THE DILEMMA OF HEAVY DUTY (HD) TRUCKS

The average American does not understand or care why HD Trucks are important. Quite the contrary, the prevailing attitude toward HD Trucks ranges from indifference to outright hostility. They are dirty, noisy and smelly and many of them aren't pretty. Americans have to share the roads with them. Such trucks intimidate automobile drivers and are perceived to cause accidents, clog traffic and ruin the roads. It's no wonder that looking for public policy support for HD Trucks is difficult. Trucks are unpopular, but, the average American doesn't realize that America can't economically survive without them and Americans cannot live without them.

THE IMPORTANCE OF HD TRUCKS

America's economy runs on trucks. Virtually everything we own was transported by a HD Truck at least once, if not multiple times, to bring it to our homes or the place where we purchased it. If you have it, it came by truck and when you're through with it, a truck will take it away. According to both the 1993 and 1997 U.S. DOT Commodity Flow Survey Studies, 72 percent of the dollar value of goods shipped in the United States was shipped by truck. Furthermore, trends such as Just-In-Time (JIT) delivery and E-commerce are pushing our dependency on shipping higher. A report titled "Economic Effects of Transportation, the Freight Story", January 2002 by ICF Consulting and HLB Decision Economics outlines the causes and effects of this paradigm shift. The Motor Carrier Act of 1980 deregulated trucking, which led to increased competition in interstate transportation markets. This caused trucking companies to cut their profit margins and increase efficiency to survive, which led to lower shipping costs. Business managers soon recognized this trend and invented JIT delivery, exploiting the trend by trading inventory cost for shipping cost to save money. Inventory costs of business were reduced from 8.2 percent of GDP in 1981 to 3.6 percent of GDP in 1999 and at the same time, shipping costs were reduced from 7.4 percent of GDP in 1980 to 6 percent of GDP in 1988 and after. This resulted in more money available to suppliers of goods and less to the trucking industry despite increasing ton-mile volumes, which helped fuel the pre-Y2K economic expansion we enjoyed. The other significant effect is that the Nation's economy is now considerably more dependent on reliable, low-cost freight due to reduced inventories. In summary, trucking is extremely important to our Nation's economy, even though most Americans take it for granted.

THE IMPORTANCE OF HD HYBRID TRUCKS

HD Hybrid makes trucks cleaner and more efficient. In an era of increasing ton-mile shipping volumes, fueled by the economic phenomenon described above, this is a very important consideration. HD Hybrid can reduce Oxides of Nitrogen (NOx) up to 50 percent and improve fuel economy up to 50 percent, depending on the driving cycle. Other technologies that are being developed and introduced to meet EPA 2004 emissions regulations (in 2002 for those companies that are party to the consent decree) such as Exhaust Gas Recirculation (EGR) improve emissions but degrade fuel economy. HD Engine company representatives have stated that 2004 compliant engines reduce fuel economy as much as 10 percent. Considering the trucking industry's razor thin margins, the cost increase driven by 10 percent poorer fuel economy could be devastating to both the trucking industry and the Nation's economy. With HD Hybrid, you don't have to sacrifice efficient for clean.

Interestingly enough, HD Hybrid is a multiplier of other advanced truck and bus technologies. It complements, enhances and integrates with improvements in engines, aerodynamics, safety, aftertreatment devices, anti-idling systems, traction control and intelligent transportation concepts. It does this because of its advanced computer control system and its inherent power management capability. HD Hybrid can have the effect on HD Trucks that stringent fuel economy and emissions regulations coupled with savvy foreign competition and increasing customer expectations has had on passenger cars. These market forces caused the automakers to more fully integrate their vehicles and meet emissions regulations, improve fuel economy and offer higher quality, more competitive products. HD Hybrid is a unifying technology that enables Engine, Truck and HD Component Manufacturers to work together in an Integrated Product Team (IPT) fashion to enhance the competitiveness of their products.

Looking forward, HD Hybrid is an integral part of the technology roadmap for fuel cell powered and all-electric HD Trucks and Buses. A fuel cell has no spinning shaft for power take-off and connection to a mechanical transmission and driveshaft. You put hydrogen in, and electricity and water vapor come out. But electricity alone cannot move a truck. HD Hybrid brings with it the electric drive technology that a fuel cell needs to become a propulsion system. And, the Japanese trucking industry is already moving forward with HD Hybrid, spearheaded by a Government wide METI initiative

HOW HD TRUCKS DIFFER FROM LD VEHICLES

This subject is worth discussing to address the common perception that investments in Passenger Car technology benefit HD Trucks. First, it is important to understand the definitions of Light Duty (LD) vs. Heavy Duty (HD) vehicles. LD vehicles (and Trucks) are those that fall into Classes 1 and 2a, which contain vehicles such as Passenger Cars (Pass Cars), Light Trucks (such as the GMC/Chevy 1500 series pick-up truck), Minivans and most Sport-Utility Vehicles (SUV's). HD Trucks are everything else, that is, all vehicles that exceed 8,500 lbs Gross Vehicle Weight (GVW), which are Classes 2b through 8. This cross section of vehicles includes Tractor-Trailers, Delivery Vans, Refuse and Dump Trucks, UPS and FedEx Package Vans, Buses, even large pick-up trucks such as the GMC/Chevy 2500 and 3500 series are in the HD class. A summary of characteristics that differ between LD and HD vehicles relative to North American markets is shown below.

Characteristic	Heavy duty (HD) trucks	LD trucks and pass. cars
Gross Vehicle Weight (GVW)	8,500 to 80,000 lbs	Up to 8,500 lbs.
Duty cycle	Continuous daily operation	Intermittent light duty
Peak horsepower	150 to 600	70 to 300
Continuous horsepower	150 to 600	25 to 60
Annual mileage	20,000 to 250,000 miles	8,000 to 20,000 miles
Expected lifetime	Up to 1,000,000 miles	150,000 miles
Purchase price (not incl. bus)	$40,000 to $150,000	$12,000 to $40,000
Market volume (annual)	800,000	18,000,000
Number of configuration variants	Millions	A few thousand
Fuel of choice	Diesel	Gasoline
Fuel consumption	5 to 15 MPG	14 to 40 MPG
Who buys it	The fleet manager	The driver
Who drives it	A hired driver	The owner
Buyers priority	Reliability, Low ownership cost	I like it/Want it
Emissions certification	Engine only	Vehicle level
Certification responsibility	Engine manufacturer	Vehicle manufacturer

These factors have caused HD Truck and LD Vehicle markets and industries to behave very differently. Their markets, products, business models, revenue streams and regulatory environments are completely different. Technologies resulting from Basic Research can be transferable between the industries but the products of Applied Research and beyond are market specific. In summary, the HD Truck and LD Vehicle technologies and corresponding investments in them are complimentary, but they leverage each other only at the most basic level.

How HD Trucks differ from Military (Combat) Vehicles.—Likewise, HD Trucks are significantly different than Combat vehicles. Arguments have been made that investments the DOD is making in hybrid electric for programs such as Future Combat System (FCS) should yield technology that is transferable to HD Trucks. As with hybrid technology developed for cars, military hybrid technology is complimentary, but only transferable at the basic level. Applied technologies are still unique for HD Trucks. A summary of characteristics that differ between Combat Vehicles and HD Trucks aids in understanding this concept and is shown below.

Characteristic	Heavy duty (HD) trucks	FCS combat vehicles
Duty cycle	Continuous daily operation	Intermittent duty
Annual mileage	20,000 to 250,000 miles	600 to 2,000 miles
Expected lifetime	Up to 1,000,000 miles	40,000 miles
Purchase price (not incl. bus)	$40,000 to $150,000	$500,000 to $6,000,000
Market volume (annual)	800,000	1,000
Number of configuration variants	Millions	Less than 100
Who buys it	The fleet manager	The Army
Who drives it	A hired driver	A Soldier
Buyers priority	Reliability, Low ownership cost	Performance
Emissions certification	Engine only	Not Required

Why Government Assistance is Needed.—The preceding paragraphs have established the importance of trucking to the Nation's economy and highlighted that HD Hybrid is a technology that offers increased efficiency with a simultaneous emissions reduction. HD Hybrid can enhance Energy and Economic Security as well as favorably impact the attainment of Air Quality Standards. It was also noted that technology investments in Light Duty vehicle technology have marginal impact on Heavy Duty Trucks, production volumes are much smaller than that of cars, and that the trucking industry operates on very slim profit margins due to the competition created by deregulation. As a result, HD Hybrid is a technology that offers significant benefit to the public good, but due to the economic factors discussed above the trucking industry cannot afford it. This is where the Government can help. Through prudent investment in key technologies, and by assuring that sufficient testing experience is available to overcome consumer reluctance, the Government can help Industry get this technology "over the hump", to the point that it will stand on its own with a strong business case driven by proven Life Cycle Cost payback and superior residual value to trucking firms.

Therefore, we respectfully ask the Subcommittee to Increase the Department of Energy's 2004 budget for the Hybrid and Electric Propulsion Program as shown in the table below. The Department of Energy should be instructed to "use these additional funds for the acceleration of Heavy Duty Hybrid Development, without stipulation of vehicle fuel type, architecture or configuration, to enable the development of solutions that best meet the needs of the trucking industry".

[In thousands of dollars]

Hybrid and electric propulsion line item	Fiscal year 2004 President's request	Fiscal year 21CT partnership request	21CT plus-up
Energy Storage	28,700	32,700	4,000
Advanced Power Electronics	13,690	17,690	4,000
Subsystem Integration and Development	7,173	11,173	4,000

Our technology priorities are Power Management Technology, Building the Component Supplier Base, Engine & Aftertreatment Integration, Electric Machines and Drive Units, Component & System Reliability Growth and Component & System Modeling & Simulation. The first two priorities map in to the Energy Storage and Advanced Power Electronics line items. The remaining four priorities map into the Subsystem Integration and Development line item.

PREPARED STATEMENT OF THE AMERICAN GAS ASSOCIATION

Mr. Chairman and Members of the Subcommittee: On behalf of the American Gas Association (AGA), comprising 191 natural gas distribution companies across North America, serving 60 million homes and businesses in all 50 states, we offer this testimony related to the US Department of Energy's (DOE) fiscal year 2004 Budget. AGA is pleased with the productive partnership it has with DOE and this Subcommittee to advance cost-shared research projects that serve the national interest. Within the Interior Subcommittee's jurisdiction, DOE's fiscal year 2004 budget request for natural gas RD&D programs reside in the Offices of Energy Efficiency and Renewable Energy (EERE) and Fossil Energy (FE). For the past decade we have provided this Subcommittee with a litany of technology priorities across a broad spectrum of programs. While AGA continues to support programs such as natural gas vehicles and industrial RD&D, two top priorities and programs have emerged: FE's natural gas infrastructure and EERE's distributed energy resource (DER) programs. The Administration requested no funding for natural gas infrastructure research in the fiscal year 2004 budget, compared with $9.1 million appropriated by Congress for the current year. AGA respectfully requests an increase of $25 million to the budget request for Infrastructure programs. Justification for this $15.9 million increase over the current level is discussed below. EERE's fiscal year 2004 DER request is virtually unchanged from fiscal year 2003 at the level of $58.8 million and AGA respectfully requests an increase of $10 million for a total of $68.8 million. The purpose of the amendment request is discussed below.

AGA's prioritization and funding request reflects the nation's immediate need for, and the Industry's commitment to, dramatic advancement in the areas of infrastructure and DER. The horrible terrorist acts of September 11, 2001, make clear the needed re-investment in infrastructure both to facilitate greater reliance on domestic energy resources and to ensure the secure distribution of those national assets to American consumers. Increased emphasis on Homeland Security also highlights the value of a power generation portfolio that is distributed, reliable, cost-effective and able to operate independently even if a central power station or the electric grid is compromised. Given these needs and our commitment to reliable and safe service for the American people, the Natural Gas Industry has developed two initiatives aimed at dramatically advancing Infrastructure and DER, they include the Natural Gas Partnership and the National Accounts Energy Alliance.

The Office of Management and Budget proposes to terminate funding for the natural gas infrastructure program in DOE. The American Gas Association strongly supports the DOE's program for natural gas industry Infrastructure and Operations. This program was initiated in fiscal year 2001 with an appropriation of $4.9 million for infrastructure and has been met by tremendous enthusiasm and project cost sharing within the natural gas industry. More than 70 proposals, totaling in excess of $45 million, were submitted by industry partners in response to the inaugural year funding under the DOE program. These proposals exceeded the available dollars by a nine-to-one margin. All proposals met or exceeded DOE's 35 percent cost-sharing requirement.

Congress appropriated $9.1 million for fiscal year 2003 and all indications are that industry partners will respond at least as enthusiastically as last year. Given the need to revitalize the Nation's aging natural gas infrastructure with new technologies and materials, given the heightened importance of safeguarding that infrastructure, and given the overwhelming response of the natural gas industry to partnering with the government to achieve these objectives, AGA highly recommends the continuation and expansion of this program by $15.9 million in fiscal year 2004.

In general, DOE's infrastructure R&D is geared to its mission to make the nation's energy infrastructure more reliable, efficient and able to meet the needs of the economy. It tends to have longer-term benefits. DOE's programs include projects such as: more corrosion-resistant material that can transport gas at higher pressure, more fuel efficient compressors that are capable of flexible compression operation, improved automated data acquisition, system monitoring and control techniques, no dig technologies, innovative excavation and restoration systems, and plastic pipe technology. All of these contribute to public benefits in terms of additional domestic energy supply, increased safety and reliability, lower cost to consumers, and improved environmental performance.

The natural gas industry provides substantial cost sharing in the development of the technologies necessary to develop this new infrastructure. We do believe that there are significant benefits that will accrue to all Americans as a result of an infrastructure research partnership. We know that major and novel system improvements are needed for natural gas to be delivered in the volumes that DOE believes

will be required in the future and that these improvements are dependent on new, highly efficient technologies.

Some in the Office of Management and Budget argue that all natural gas infrastructure research should be conducted exclusively by the Department of Transportation. Currently, the Office of Pipeline Safety (OPS) in DOT does conduct limited infrastructure-related work. Consistent with its role as a pipeline safety regulatory agency, OPS's pipeline R&D has focused on near-term safety, security and damage prevention projects and technologies, and codes and standards development. DOE focuses on the long term energy delivery issues related to natural gas infrastructure. Although, both departments are involved in R&D, the departments have different missions and their R&D programs reflect it.

Coordination between the two departments is critical and AGA recommends a balance of both security, safety, reliability and efficiency related work. The research programs in each department are extremely essential.

Meeting a large increase in demand efficiently and in a manner that is in the best interest of the American people will require continued cooperation among DOE, DOT, and the natural gas industry to develop the necessary research tools. It is clear that immediate and substantial investment in research supporting natural gas infrastructure is essential to ensuring energy reliability and security in our Nation.

The natural gas industry's commitment to partnering with the Departments of Energy and Transportation is underscored by AGA's creation and advocacy of legislation that sets aside industry funds to compliment federal research expenditures on natural gas infrastructure.

DISTRIBUTED ENERGY RESOURCES—NATIONAL ACCOUNTS ENERGY ALLIANCE (NAEA)

Efforts to test and deploy technologies being developed under the DER program in EERE are significantly under-funded. Private sector interest in these technologies is compelling. The Office of Power Technologies receives nearly ten solicitation applications (each application is typically developed by an entire team of companies) for every award it makes. While more manufacturers are entering the market, and dramatically more attention from states, power providers and end-users is focused on DER, significant RD&D requirements abound. DER provides the opportunity for efficient use of waste heat to achieve total system efficiency levels as high as 80 percent. This compares to large central power plant efficiencies that are typically less than half as efficient largely due to their inability to productively use all of their waste heat. Further, the higher efficiency of DER systems inherently leads to lower emissions since these systems use less fuel, and typically cleaner feedstock fuels, than central power plants to achieve a given unit of power output. Many utilities are now exploring the utilization of DER to reduce the strain on congested transmission systems. On-site DER systems are especially important for high-tech and mission-critical facilities as they offer dramatic increases in power quality and reliability. The national economy is inextricably linked to information and electronically sensitive computer systems that require uninterruptible power that the 50+ year old electric grid was not designed to serve. Mission-critical systems, be it in high-tech, healthcare, manufacturing, or government facilities, are enhanced by DER.

DOE has spent tens of millions of dollars developing individual DER technologies over the past decade. However, tremendous work remains in the areas of system development, advanced controls and sensors, power quality and reliability, storage, and interconnection. DOE has studied the technical, regulatory, market and institutional barriers to widespread utilization of DER and has worked to promote commercial acceptance. However, to date, these programs have failed to capture the vision of large commercial end-users at the corporate or headquarters level—NAEA is focused on affecting targeted change at this point.

Few of the potential benefits from the Department's research investments will be realized if these technologies are not adequately tested and if initial deployment is not targeted to commercial applications with large potential for replication. The National Accounts Energy Alliance (NAEA) started in fiscal year 2002 and was envisioned as a four-year cost-shared initiative aimed at developing highly-efficient, technology driven, new construction and retrofit models for the nation's largest end-users, in partnership with their energy providers. The American Gas Association, Gas Technology Institute and American Gas Foundation have come together to establish NAEA. NAEA's members comprise the nation's largest energy providers (electric and natural gas) as well as almost two dozen end-users such as McDonalds, Wal-Mart Stores, TJ Maxx, the Great Atlantic & Pacific Tea Com (A&P).

The nation's electric grid faces many technology challenges ranging from generation shortfalls to transmission and distribution constraints. The utilization of distributed energy resources (DER) is widely considered to be the cheapest, cleanest

and most obtainable near-term solution to many of these challenges. DER systems can be sited where the power is needed and can be utilized with energy efficiency ratings exceeding 80 percent (compared to 29 percent efficiency for the electric grid) where waste heat is recaptured and reused. DOE has spent hundreds of millions of dollars over the years developing DER technologies but many technical, regulatory and institutional barriers remain. This is especially true for incorporation into new construction or retrofits of large commercial end-users. NAEA was created to address these barriers squarely by working with large commercial entities, at the headquarters-level, to develop new and standardized construction models incorporating advanced DER systems. Typically, all of these construction efforts are based on a central construction model, with a handful of geographic-based options. Additionally, a missing ingredient to DOE's past deployment programs was an energy Technology Test and Verification Program (TT&VP). DER testing and technology adoption by national accounts is the fastest way to perform testing, disseminate the results widely, make necessary technology and applications corrections and subsequently rapidly deploy improved systems. Because of fierce competition, standardization, central design services and extensive building programs, it is extremely difficult for national accounts to perform such tests on newly emerging technologies like DER because of their impact upon facility design.

At its inception NAEA focused on retail, supermarket and food service industries. In fiscal year 2003 and beyond, NAEA will expand its membership to include a broader segment of the healthcare, high-tech and telecommunications, hotel, and targeted manufacturing industries. This program illustrates the commitment of the natural gas industry and its partners to deploy the research being conducted under the DER technology areas.

We respectfully request that the Subcommittee add $10 million to the DER budget for consortiums such as the National Accounts Energy Alliance to conduct technology verification tests and build partnerships of key stakeholders for the rapid deployment of distributed energy technologies.

CONCLUSION

Mr. Chairman, AGA is giving great emphasis to developing comprehensive programs across end-use sectors that complement each other and provide cheaper energy to the end-user, while reducing emissions and improving energy efficiency, quality, and reliability. And, the infrastructure research partnership between DOE and the natural gas industry will also have significant benefits in terms of safety, reliability, cleaner air and economic growth that will accrue to all Americans. AGA greatly appreciates your past support and consideration of these proposals.

PREPARED STATEMENT OF THE AMERICAN IRON AND STEEL INSTITUTE

INTRODUCTION AND SUMMARY OF REQUEST

Thank you for the opportunity to submit written testimony this year. Our testimony concerns fiscal year 2004 funding for the Office of Industrial Technologies (OIT)-Steel within the Department of Energy. This line item includes the highly successful, highly leveraged Technology Roadmap Program (TRP), which has nearly 60 industrial participants.

It is because of this extensive leveraging (steel companies have cooperated for decades and are highly skilled at collaborative research and tech transfer to the plant floor), that seemingly small amounts of funding yield very significant results. Our research programs with DOE are fundamental to overcoming technical barriers to the future success of the steel industry. We believe that a strong, competitive and innovative steel industry is a critical component of national security and is also strategic for our country's energy security (e.g., transmission towers and pipelines). We ask you to keep these points in mind as you consider our request. And we ask you also to look at the results our programs have achieved thus far.

The present budget mark of $3.4 million for all steel programs will satisfy Technology Roadmap funding requirements for current tasks ($2.2 million in 2004), but such a drastic cut (the fiscal year 2003 budget is $10 million) will prohibit completion of other valuable steel projects and render useless the investments already made in them. Second, new opportunities for potential breakthrough technologies will not be pursued. Third, the steel industry recently committed to a 10 percent reduction in energy utilization per ton by 2012 as part of the President's Business Challenge/Climate Vision Program. If passed, the proposed 66 percent cut in steel R & D funding will certainly reduce our ability to develop and deploy technology needed to achieve that goal. We urge the subcommittee to fund OIT-Steel at a level

of $10 million in order that programs under contract are completed (so their benefits are realized) and new opportunities can be pursued. We would also direct the subcommittee's attention to the specific funding of TRP at $2.2 million (of the $10 million requested) in fiscal year 2004. We believe the track record of steel industry research undertaken by AISI and DOE is excellent, as evidenced by the results, some of which are described below. Another metric of the value of this work is that widespread industrial participation and funding remained, even through periods of severe steel company financial distress. There is every reason to believe that continued funding will lead to additional important advances, such as those described below.

TECHNOLOGY ROADMAP PROGRAM ACCOMPLISHMENTS

The Technology Roadmap Program began under the Steel and Aluminum Energy Conservation and Technology Competitiveness Act, also known as the Metals Initiative. This legislation authorized DOE to fund projects with the goals of energy-efficiency, increased competitiveness of U.S. industry, and environmental improvement. All of these goals are being achieved. For example, the Technology Roadmap Program has provided key technologies enabling the stunning energy and environmental achievements of the steel industry's Ultra Light Steel Auto Body—Advanced Vehicle Concept (ULSAB–AVC). ULSAB–AVC has developed complete designs for safe, steel intensive compact and mid-size sedans that will achieve 52 miles per gallon (mpg) using gasoline, or 68 mpg if equipped with a diesel engine. To appreciate the impact of this accomplishment, if one million ULSAB–AVC vehicles replaced an equivalent number of mid-size sedans operating at the Corporate Average Fuel Economy standard of 27.5 miles per gallon, and were each driven 10,000 miles per year, the annual savings our country would realize are estimated at:

Annual Reduced fuel consumption—171 million gallons

Annual Cost savings at $1.75/gallon—$300 million

Annual CO_2 reductions—2.1 million tons

It should be noted that all of the savings above are not a result of lightweighting-they are a function of the steel intensive design that includes drivetrain and design advances. Further, since approximately 16 million new vehicles enter service in the United States annually, the energy savings that can be realized if ULSAB–AVC technology is universally applied is enormous, approximately 0.3 quadrillion BTU, or nearly 20 percent of the entire energy consumed by the steel industry in a year (1.8 quadrillion BTU). And, based on comprehensive cost modeling, all this can be accomplished at no cost penalty to the consumer—that is why these technologies are already appearing in cars on the road today. This is clearly the type of pre-competitive research appropriate for government partnering-developing the technologies that lead to breakthroughs that serve the public good, reduce our dependence on foreign oil and significantly reduce greenhouse gases. The following is a brief list of TRP projects whose results are incorporated in the ULSAB–AVC designs:

—TRP 9732—Study of Deformation Behavior of Light Weight Steel Structures Under Impact Loading (prediction of crash performance of advanced high strength steels and advanced materials processing).

—TRP 9756—Cold Work Embrittlement of Interstitial Free Steels (predicting embrittlement of automotive steels).

—TRP 9934—Development of Appropriate Resistance Spot Welding Practices for Transformation Hardened Steels (optimizing materials joining process for advanced high strength steels).

—TRP 9807—Reducing the Variability of HSLA Sheet Steels (developing practices for consistent properties of advance high strength steels).

—TRP 9904—Constitutive Behavior of High Strength Multiphase Steels Under High Strain Rate Deformation Conditions (modeling and developing the processing routes to produce advanced high strength steels).

—TRP 0012—Characterization of Formability for New Generation of Advanced High Strength Steels (characterizing the key properties of next generation steels).

—TRP 0015—Quantitative Measurement of Steel Phase Transformation (characterizing the key properties of advanced bar steels).

—TRP 0038—Characterization of Fatigue and Crash Performance (generate fatigue, tensile and component test data at high strain rates for direct input for automotive engineering and design).

—TRP 0101—Inclusion Optimization for Next Generation Steel Products (developing processes to" engineer" imperfections in the microstructure of sheet steels so that they enhance properties and steel performance).

—TRP 0106—Laser Assisted Arc Welding of Advanced High Strength Steels (developing advanced joining methods for use of advance high strength steels).

—TRP 0114—Development of Appropriate Resistance Spot Welding Practices for Advanced High Strength Steels (Resistance spot welding is a "gateway technology" for the implementation of advanced high strength steels into vehicle production.).

The above Technology Roadmap Program R&D is part of the continuous process of advancing the science of materials. It helps the automobile and steel industries achieve their goals of bringing safe, affordable, energy efficient, environmentally desirable vehicles to the public. It advances the president's goal of reducing greenhouse gas emissions.

In addition, other TRP projects have made similar contributions to energy-efficiency, environmental leadership and steel industry competitiveness:

1. New thermally-efficient steel stud designs for residential and light commercial applications resulting in energy savings of 2.5 percent of current consumption (0.03 quad) may be achieved based on 25 percent of new homes using this technology.

2. A recent study by the Florida Solar Energy Center found that metal roofing can save Florida homeowners 23 percent in cooling costs over conventional gray shingle roofs.

3. Steels used in electrical applications result in more energy efficient motors. The electrical properties of Cold Rolled Motor Lamination (CRML) steels continue to improve. Only a few years ago the best CRML material available had core loss values of 2.0 watts/pound. CRML steel is now being produced with core loss properties less than 1.7 watts/pound. This 15 percent energy efficiency improvement means that electrical devices made from this material, such as florescent light ballasts, transformers, and motors, can be made more efficient. These savings are being realized in the home, commercial, and industrial application of these products.

4. Advanced steels for bearing applications have a direct impact on the energy efficiency of equipment. Developments in steel processes in recent decades have not only greatly improved productivity and lowered cost, they have led to significant quality improvements through the reduction of the population of harmful inclusions.

5. Process modeling—In addition to the benefits of the application of fundamental sciences to understand complex relationships, the application of predictive models allows development work to be done without disrupting the process line until the verification and implementation stages are reached. This minimizes development costs and fine tunes where and when capital is invested. The Hot Strip Mill Model developed under TRP and now in commercial use, is an excellent example.

Funding for TRP projects currently under contract should be continued in fiscal year 2004 so they can continue to achieve the excellent returns described above. In addition, funds should also be provided in fiscal year 2004 so that a new group of TRP projects may be started to continue to advance yield improvement, materials science and our industry goal of increasing energy-efficiency by 10 percent by 2012. Your support helps us deliver these benefits to the American people sooner rather than later and ensures the success of an industry critical to our national security.

Please feel free to contact me at 202–452–7206 or lkavanagh@steel.org if you require any additional information.

PREPARED STATEMENT OF THE AMERICAN PUBLIC POWER ASSOCIATION

The American Public Power Association (APPA) is the national service organization representing the interests of over 2,000 municipal and other state and locally owned utilities throughout the United States (all but Hawaii). Collectively, public power utilities deliver electricity to one of every seven electric consumers (about 40 million people), serving some of the nation's largest cities. However, the vast majority of APPA's members serve communities with populations of 10,000 people or less.

We appreciate the opportunity to submit this statement outlining our fiscal year 2004 funding priorities within jurisdiction of the Interior and Related Agencies Subcommittee.

DEPARTMENT OF ENERGY: ENERGY CONSERVATION

APPA is disappointed in the Administration's fiscal year 2004 request of $876 million for the Department of Energy's (DOE) energy conservation programs. We are confident that Congress's prioritization of these programs in its ultimate allocation for fiscal year 2003 of $892 million highlighted the importance of these programs to the Administration. We believe that DOE's energy conservation programs should be level-funded at minimum, and encourage the subcommittee to continue last year's commitment of at least $892 million.

FREEDOMCAR

APPA has supported the Partnership for a New Generation Vehicle in the past and supports the Administration's request of $158 million for the new FreedomCAR program. APPA believes that the availability of fuel cell technology for transportation is critical for cities and states that must achieve mandatory federal air quality standards. We appreciate the Administration's new emphasis on refocusing research and development toward the achievement of cost-effective fuel cell vehicles. The fuel cell vehicle is virtually pollution-free and highly efficient. One of APPA's member utilities, the Sacramento Municipal Utilities District (SMUD) has done extensive research into this field and have found that even a 10 percent market penetration could reduce regulated air pollutants by more than a million tons a year and emissions of carbon dioxide by 60 million tons a year.

BUILDING TECHNOLOGY ASSISTANCE & WEATHERIZATION AND INTERGOVERNMENTAL ACTIVITIES

APPA supports the Administration's fiscal year 2004 request of $52.6 million for helping to increase the efficiency of commercial and residential buildings. APPA is particularly supportive of the emphasis on weatherization assistance as part of the President's National Energy Policy and encourages the Subcommittee to provide the $288 million requested by the Administration for this important program. The weatherization assistance program helps more than 100,000 residents annually, and is especially critical for the working poor, elderly and disabled. This program has been particularly effective at helping low income citizens afford their energy bills while at the same time reducing energy usage.

STATE ENERGY CONSERVATION PROGRAM

APPA supports Congress's prioritization of the State Energy Conservation Program and urges the Subcommittee to at least level-fund the program at $38 million for fiscal year 2004. State energy offices work on nearly every energy efficiency issue and have been extremely successful in identifying the efficiency needs of local communities, businesses and consumers and providing support for meeting those needs. The State Energy Conservation Program offers the ideal combination of state-level implementation with federal support.

COMMUNITY ENERGY PROGRAM—REBUILD AMERICA

APPA is concerned that the Administration's request of $9 million for fiscal year 2004 for the Rebuild America program is a significant cut from the fiscal year 2003 request of $20 million. The program partners with states and communities interested in using energy efficiency to help address a wide range of community priorities, but primarily facilitating improvements to commercial buildings. As part of the local and state governmental structure, APPA's member utilities are uniquely suited to participate in these types of partnerships and encourage continued support for this important program. We encourage Congress to level fund this program at last year's commitment.

PREPARED STATEMENT OF THE BIOMASS ENERGY RESEARCH ASSOCIATION

This testimony pertains to the fiscal year 2004 appropriation for the research, development, and deployment (RD&D) effort performed by the U.S. Department of Agriculture Forest Service (USDAFS) on forest biomass-based energy, fuels, and chemicals in its Biobased Products and Bioenergy Research (BPBR) program. The Biomass Energy Research Association (BERA) recommends that $22.0 million be appropriated for this high-priority RD&D in fiscal year 2004. Separate statements have been prepared for submission on other biomass energy RD&D performed by the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) under the Energy and Water Development Bill, and by EERE's Office of Industrial Technologies under the Interior and Related Agencies Bill.

BERA is a non-profit association based in Washington, DC. It was founded in 1982 by researchers and private organizations that are conducting biomass research. Our objectives are to promote education and research on the production of energy in all its forms from virgin and waste biomass that can be economically utilized by the public, and to serve as a source of information on biomass RD&D policies and programs. Please note that BERA does not solicit or accept federal funding for its efforts.

On behalf of BERA's members, I would like to thank you, Mr. Chairman, for the opportunity to present our Board's position on the funding of forest biomass RD&D. Specifically, BERA's Board of Directors recommends that the appropriations for USDAFS' BPBR program in fiscal year 2004 be allocated as follows.

—Continue the research program proposed by the USDAFS; $2,000,000 was requested for fiscal year 2004.

—Collect DOE's forest biomass research results obtained from laboratory and field projects and consolidate them with those of the USDAFS, $1,500,000.

—Assess the technical value and economics of the consolidated results with industry participation, $2,000,000.

—Develop an optimized, advanced RD&D plan with industry participation, $1,500,000.

—Initiate the RD&D plan with industry participation and cost sharing of the scale-up projects, $15,000,000.

BERA urges that this program be funded starting in fiscal year 2004.

BACKGROUND

One of the original goals of the Bioenergy/Bioproducts Initiative, which was created as a result of "The Biomass Research and Development Act of 2000," and Title IX of the Farm Bill, was to triple United States usage of bioenergy and biobased products. Although the timeframe has been extended up to 2015 or 2020, a strategic plan has been developed to reach this goal by the multi-agency Biomass Research and Development Board (BRDB) co-chaired by the Secretary of Energy and the Secretary of Agriculture.

Substantial increases in biomass energy and fuel consumption are clearly needed because of what has recently happened to U.S. crude oil, natural gas, and electricity markets, our continually increasing dependence on imported oil, the renewed importance of achieving U.S. energy security, and the impacts of environmental issues. It is time to determine whether practical biomass energy systems can be developed that are capable of displacing much larger amounts of fossil fuels than they have in the past. The amount of fossil fuels displaced by biomass energy in 2000 was 1.55 million barrels of oil equivalent per day, approximately 79 percent of which was wood-based. The average amount of crude oil imported into the United States was 9.07 million barrels per day in 2000.

In fiscal year 2002, DOE began to restructure EERE's biomass RD&D program. This process is continuing. The funds requested by DOE for biomass feedstocks are for infrastructure development only, such as for transportation and storage. The critical research to develop, plant, grow, and manage dedicated energy crops for conversion to cost-competitive energy and fuels has been terminated. DOE stated that other agencies or departments are better suited to handle this research, and that it is considered to be part of the USDA program. While DOE's feedstock production program has made significant research contributions over the last 25 years, BERA strongly endorses the idea that the USDA should assume responsibility for this program. The USDA has a long history in biomass production and is recognized worldwide for its accomplishments in developing advanced agricultural and forest biomass production methods. BERA recommends that research on woody biomass production for energy applications be continued by the USDAFS under the Interior and Related Agencies Bill. Woody feedstocks are essential for the production of much larger amounts of affordable fuels, electricity, and bioproducts than have been realized to date. BERA submitted testimony in support of this RD&D by USDAFS for fiscal year 2003, but funding was not provided.

The expansion of the USDAFS' BPBR program recommended by BERA provides a considerably higher probability of significantly increasing the contribution of biomass to primary U.S. energy demand to help displace fossil fuel consumption. Indeed, the key to this eventuality is the development, demonstration, and deployment of technologies for producing low-cost forest biomass for conversion to economic supplies of energy and fuels. Forest biomass is the nation's and the world's largest reserve of renewable carbon resources. Without the availability of economically competitive forest biomass feedstocks, the probability of tripling or even doubling biomass energy consumption in the United States is doubtful.

Ultimately, this program is expected to lead to commercial, sustainable energy plantations that are integrated with conversion processes supplied with both forest and waste biomass fuel and feedstocks. These biorefineries will be designed to yield multiple product slates that are sufficiently flexible to meet market conditions and demands.

In the remaining paragraphs, I would like to elaborate on the high-priority forestry research that BERA strongly urges be continued or started.

BERA RECOMMENDATIONS

Proposed USDAFS Research for Fiscal Year 2004

The USDAFS requested an appropriation of $2,000,000 for its BPBR program to develop new and more economical technologies for the production, management, harvest, and utilization of woody materials for energy and high-valued products for fiscal year 2004. This work builds on the USDAFS' expertise on industrial wood recycling, wood chemistry, and wood-plastic composites; small-diameter timber harvesting and utilization; and experience in intensively managed silvicultural systems. The research is a natural complement to the woody feedstock production RD&D for energy and fuels by the USDAFS that BERA recommends be added to its overall program. BERA also recommends that some level of coordination of this research with the USDA work on fire hazard reduction for western forests be implemented to enhance the prospects for full use of biomass for energy across the country.

Collection and Consolidation of DOE's Research and Field Project Results

DOE has conducted an extensive forest biomass production program since the 1970's. This research included laboratory and field projects performed by academe, national laboratories, research institutes, and the private sector. The program emphasized the development and selection of special species, hybrids, and clones of trees, and advanced growth, management, and harvesting procedures for dedicated energy crops. Research on short-rotation tree growth and the screening of tree species in small-scale test plots was carried out in several areas of the country. Depending on the geographic location, woody species recommended as energy feedstocks from the test-plot results included hybrid poplars, willow, eucalyptus, black locust, and others. In collaboration with DOE, BERA recommends that the documented results of these efforts be collected and consolidated with those of the USDAFS. Furthermore, it is recommended that a plan be developed and implemented for preserving the large amount of improved woody crop clonal materials produced both by the USDAFS and the university collaborators of DOE.

Assessment of the Consolidated Results With Industry

BERA recommends that selected companies be invited to join with the USDAFS for the purpose of evaluating the consolidated data and information compiled by the USDAFS. The first objective of this assessment is to carefully analyze tree species in terms of their potential for sustained growth in energy plantations at maximum yields under acceptable growth conditions in different U.S. regions. The second objective is to update and perform comparative economic analyses of conceptual system designs to assist in the prioritization of each system. Presuming the industrial organizations that participate in this work are experienced in large-scale, commercial tree production, their inputs will be invaluable in performing the next phase of this program, which consists of producing an RD&D plan.

Development of an Optimized, Advanced RD&D Plan With Industry

The purpose of this phase of USDAFS' forest biomass program is to produce a 10-year, strategic RD&D plan that continues the research necessary to obtain the data and information needed for optimum energy plantation design, including environmental impacts, and that targets industry cost-shared field projects to demonstrate medium-scale, sustainable, forest biomass and residuals production in several geographic locations. It is important to include a schedule of milestones over the life of the RD&D.

Initiation of the RD&D Plan With Industry

Considerable progress has been made on the efficient production of short-rotation woody crop and multi-crop systems. In addition, research on tissue culture techniques and the application of genetic engineering methods to low-cost energy crop production have shown promise. This research should be continued to develop advanced biomass production methods that can meet the anticipated feedstock demand.

BERA also recommends that industry cost-shared, scale-up projects of at least 1,000 acres in size be installed and operated in different regions of the country as a forerunner to commercial energy plantations in which dedicated energy crops are grown and harvested for use as biomass resources. The results of this work will provide sufficient operating and capital cost data to afford second generation economic data for larger modular systems and to perfect the design of sustainable energy plantations. The scale-up projects should be strategically located and should utilize the advanced woody biomass production methods developed in the research programs. Successful completion of this work will help biomass energy attain its potential by providing the data and information needed to implement the design, con-

struction, and operation of practical forest biomass production methods for sustainable energy plantations that can supply low-cost feedstock for conversion to heat, steam, electric power, liquid and gaseous fuels, and chemicals.

It is expected that during the first year of this program, fiscal year 2004, site studies can be completed to facilitate the selection of specific areas that are deemed suitable for energy plantation construction, and that installation on at least one site can be started. DOE should be involved in this program where appropriate so that their work on biomass infrastructure can be applied to program goals such as the design and operation of integrated biomass production and conversion systems.

PREPARED STATEMENT OF BOB LAWRENCE & ASSOCIATES, INC.

Mr. Chairman and Members of the Subcommittee: My name is Bob Lawrence, and I am President of Bob Lawrence & Associates, Inc., a consulting firm located in Alexandria, Virginia. With me today is Ms. Patrice Courtney, a Senior Associate with my firm. We are here today to request full funding for the Department of Energy's Weatherization and Intergovernmental Program (OWIP) within the Office of Energy Efficiency and Renewable Energy. Specifically, we request fiscal year 2004 OWIP funding of $375M of which $18.8M is required by the Rebuild program under the Gateway Deployment line item. For the Building Technologies program, we request a total of $63M, the same as the fiscal year 2002 appropriated number. Cutbacks in the Building Technologies program have all but eliminated any outreach and education for this program. Outreach and education is essential for early adoption of evolving technologies and the maximization of national benefits.

My firm and I have been involved in issues of Energy Efficiency and Renewable Energy since 1975, when this Subcommittee played an active and major role in helping to solve our country's first, major energy crisis. Ms. Courtney is responsible for communications regarding energy efficiency issues in both national and statewide forums, with a particular focus on New York State.

Buildings account for one third of all energy used in our country, once you factor in the significant percentage used to generate electricity to heat, cool, light, and control buildings and their occupants. In addition, most oil use in buildings occurs in those parts of the country where the percentage of imported oil use is the highest. Therefore, efficiency increases in buildings and their associated technologies offset directly the import of foreign oil.

Our current efforts, overseas, remind us all too well that the U.S. economy remains significantly threatened by still-high oil prices. Energy efficiency has become an economic priority because it is key to reducing our vulnerability to high oil prices controlled by unpredictable foreign hands. Today, many U.S. states are deregulating electric utilities in an effort to lower electricity prices. These developments have important implications for energy efficiency in building technology.

Our purpose today, Mr. Chairman, is to support the Weatherization and Intergovernmental Program (WIP), which has been uniquely successful in its campaign to help Americans save energy. For example, its Rebuild America program, for which $18.8 million is requested, continues to play an important role. Through Rebuild, completed energy efficiency renovations are saving communities nearly $131 million each year, along with an annual 9 trillion BTUs of energy. (That's the equivalent of 8,200 oil tanker trucks in line for 113 miles.) This has resulted in savings of $1.5 billion in cumulative energy costs in participating communities. To date, Rebuild has generated $601 million in private sector investment, and resulted in more than 529 million square feet of renovated building space—an area equivalent to 16,000 schools. In addition, 569 million square feet in new projects are committed or under way. Every DOE dollar invested has produced $18.43 in annual community energy savings and $9.38 in private energy efficiency investments.

The program has 500+ participating communities in 54 states and U.S. territories. State energy offices play an integral role in its implementation, working with individuals, businesses and institutions committed to improving the quality of life, building by building, via energy efficiency retrofits or new construction. Middle income and lower income Americans are direct beneficiaries of Rebuild America both through direct labor dollars and the overall, positive effect on the economy.

Rebuild America is a working model for leveraging taxpayer dollars with private investment to produce significant energy cost savings. For example, Rebuild is actively working with more than 35 associations and trade groups in its Strategic Partners initiative, and with 140 companies, including Johnson Controls, Siemens, TRANE, Sempra Energy Services and others, in its Business Partners project.

One such strategic partnership proceeds from the Memorandum of Understanding between the DOE and the American Institute of Architects (AIA). This has resulted

in a number of collaborative activities between Rebuild and the architecture community, such as the Solar Decathlon, a design competition that involves hundreds of architecture students, and a Rebuild-sponsored mentoring program in which Howard University architecture students are teaching middle school students about design issues, including energy efficiency and sustainability. Going forward, the AIA and Rebuild plan to select leading examples of buildings to demonstrate the metrics associated with environmental performance. For its part, the AIA will continue to support DOE program demonstration activities and participate in technology transfer activities included in High Performance Commercial Buildings Roadmap implementation, Solar Decathlon, Energy Smart Schools, and Labs21, and will disseminate the results.

Energy Smart Schools (ESS) is a key Rebuild project, for good reasons. A nationwide survey conducted by the U.S. General Accounting Office estimated a conservative $112 billion to complete needed repairs, renovations, and modernizations for the nation's public schools. According to the DOE, the nation spends $6 billion each year on energy costs for schools—about 25 percent more than necessary.

Around the nation, a number of school districts are using Energy Smart School assistance. The College Station Independent School District in Texas, for example, used Rebuild's partnership system to team up with Texas A&M's Energy Systems Laboratory, and Texas Energy Engineering Services Inc., which audited the district's schools to determine needed energy retrofits. Rebuild helped the district locate 5.6 percent financing that required up-front capital outlays. The loan will be repaid by 2009 with projected annual energy savings of $183,000. Ultimately, the school district financed $1.5 million of its capital improvements with help from Energy Smart Schools, for improvements that included new chillers, boilers and DX units; improved lighting; energy management system upgrades, and the launch of continuous building commissioning to ensure efficient operations and maintenance. This school district and many others are working to incorporate the Energy Smart Schools' high performance school design guidelines, which have been developed with recommendations that vary by climate, geography and energy mix.

Here are some examples of other WIP programs and how they're saving energy and dollars:

Residential Building Integration/Research and Development (formerly Building America).—$15.2 million is requested. Great strides have been made in the way we construct and operate our buildings; we have documented energy savings of 30–50 percent at little or no cost increase. But there's much more work to be done. This group is working to realize a 60 percent reduction in overall residential building energy use compared with the model International Energy Conservation Code of 2000. These activities also include the exciting work being done in the Zero Energy Buildings program. Additionally, the Residential Building Energy Codes group's work includes important new initiatives to develop new code compliance tools for residential construction to foster a "whole buildings" approach in new and existing buildings.

In the area of Commercial Buildings Integration, $4.9 million is sought to continue its R&D. This will include guidance for four new building projects that will document improvements to the design process allowing up to 50 percent reduction in energy use. Using the Commercial Building roadmap, the group also is focusing on controls, indoor air quality, and technologies for the retrofit of existing buildings. Wireless sensors, whole building controls systems and retrofit technologies, and ventilation technologies will be key areas of investigation. The codes group seeks to continue its revisions to the IECC 2006 Edition/ASHRAE Standard 90.1 2004 to further promote energy efficient window assemblies. The objective is to simplify code compliance so that builders can use the advanced technologies developed by the High Performance Buildings effort, and to enable the cost-effective construction of Zero Energy Buildings.

State and Community Programs.—The State Energy Program (SEP) is the only federally funded, state-based program administered by the DOE that provides resources directly to the states. WIP seeks to stay level at $38.7 million in fiscal year 2004 funding for the SEP. The SEP has become a strong foundation for success in reducing energy use in buildings, working at the community level. Rebuild America contributes greatly to the SEP's success, as it delivers technical support that states and localities require. Recent studies have documented that each $1 of SEP funding results in annual energy savings of 1.17 million source BTUs and annual cost savings of $7.23. Additionally, each $1 of SEP funding leverages $3.54 from non-federal sources, not including public benefit funds.

WIP leads in the technology transfer to professionals in building technologies. For example, on its Web site is a powerful software tool that can be downloaded for free. EnergyPlus, formerly known as DOE–2, is a new generation building energy simula-

tion program designed for modeling buildings with associated heating, cooling, lighting, ventilating, and other energy flows.

In conclusion, it has been shown via audits and other analyses, that the DOE Buildings programs, however their names have changed over the years, have provided tens of billions of dollars in benefits to our country measured in more efficient energy use, less pollutant emission, and lower energy prices. Not measured in this dollar number is the significantly increased health of our citizens as a result of these benefits. This taxpayer investment pays tremendous dividends.

During the 1980s, funding was drastically cut for energy-efficiency R&D. When the programs were revisited in the early 1990s, lost ground had to be regained. Research successes are now turning into commercially viable products. It is crucially important to cost share the field testing phase and to push new products through the R&D pipeline to market acceptance, particularly in the fragmented building industry.

Mr. Chairman, the required annual investment in Energy Efficiency and Renewable Energy is less than one percent of what we invest in defense, but its purpose is no less important. It is an investment in our economy, our standard of living, and our very way of life.

We thank you for your attention to this matter.

PREPARED STATEMENT OF THE BIOMASS ENERGY RESEARCH ASSOCIATION

This testimony pertains to the request for appropriations in fiscal year 2004 by the Department of Energy (DOE), Office of Energy Efficiency and Renewable Energy (EERE), for mission-oriented biomass energy research, development, and deployment (RD&D) in the Industrial Technologies Program funded under the Interior and Related Agencies Bill. The Biomass Energy Research Association (BERA) recommends that $36.4 million be appropriated for these high-priority biomass programs in fiscal year 2004. Separate statements have been submitted in support of biomass RD&D performed by EERE under the Energy and Water Development Bill, and on forest biomass energy production by the U.S. Department of Agriculture Forest Service (USDAFS) under the Interior and Related Agencies Bill.

On behalf of BERA's members, I would like to thank you, Mr. Chairman, for the opportunity to present the recommendations of BERA's Board of Directors for the high-priority programs that we strongly urge be continued, restored, or started. BERA is a non-profit association based in Washington, DC. It was founded in 1982 by researchers and private organizations that are conducting biomass research. Our objectives are to promote education and research on the production of energy, fuels, and chemicals from virgin and waste biomass that can be economically utilized by the public, and to serve as a source of information on biomass RD&D policies and programs. BERA does not solicit or accept federal funding for its efforts.

The specific programs and budgets that BERA recommends for fiscal year 2004 are:

—Incorporation of the Bioenergy and Bioproducts Initiative (BBI) created as a result of "The Biomass Research and Development Act of 2000" and Title IX of the Farm Bill, into EERE's Industrial Technologies Program ($10,000,000), mainly for cost-shared scale-up projects.

—Continuation of commodity organic chemicals-from-biomass RD&D started in fiscal year 1999 ($8,800,000).

—Restoration of advanced black liquor gasification RD&D and its scale-up ($13,600,000). This program is aimed at developing two different processes, each of which has been cost-shared by industry; federal support has ended. Without continued federal support at this time, successful development in the existing facilities is highly unlikely. The technology is essential to enable the U.S. pulp and paper industry to reach energy self-sufficiency.

—Continued development of advanced biomass technologies for the forest and paper products industries ($4,000,000).

PROGRAM INTEGRATION, COORDINATION, AND MANAGEMENT

For several years, BERA has urged that all biomass-related research funded by DOE should be coordinated and managed at DOE Headquarters so that the program managers are heavily involved in this activity. We are pleased to note that this process, which began in fiscal year 2002, has continued in fiscal year 2003. BERA congratulates DOE on the progress made in restructuring the program and its management. BERA also congratulates DOE and USDA for the new spirit of working together and coordinating the programs of each department to increase the usage of agricultural and forestry biomass for the production of much larger amounts of

affordable fuels, electricity, and biomass-derived products than have been realized in the past. These efforts are expected to help facilitate the transition of waste and virgin biomass in the USA into major sources of renewable energy, fuels, and chemicals.

BERA urges that the BBI be incorporated into the overall federal biomass research program. Without it, the time table for this transition will be stretched out for several decades and possibly never happen except to a very limited extent for niche markets. Large, strategically located, energy plantations are ultimately envisaged in which waste biomass acquisition and virgin biomass production systems are integrated with conversion systems and operated as analogs of petroleum refineries to afford flexible slates of multiple products from multiple feedstocks. Unfortunately, relatively large amounts of capital and inducements are required to get the private sector involved in developing even modest size projects in the field. So to help implement this program, BERA includes the BBI as a line-item in its annual testimony.

BERA also continues to recommend that implementation of the BBI should include identification of each federal agency that provides funding related to biomass energy development, each agency's programs, and the expenditures by each agency. DOE and the USDA have initiated this process. This is an on-going activity that should be expanded to include other agencies and departments and help fine-tune the critical pathways to program goals. Continual analysis of the information compiled should enable the coordination of all federally funded biomass energy programs through the BRDB to facilitate new starts focused on high priority targets, and help to avoid duplication of efforts, unnecessary expenditures, and continuation of projects that have been completed or that do not target program goals. Full implementation of the BBI will enhance the value of the federal expenditures on biomass research to the country in many different ways.

BERA RECOMMENDATIONS

BERA's project recommendations consist of a balanced program of mission-oriented RD&D on conversion research and technology transfer to the private sector. Advanced conversion processes and power generation technologies, alternative liquid transportation fuels, and hydrogen-from-biomass processes are emphasized. Biomass production RD&D for energy uses is ultimately expected to be done by the USDA.

BERA continues to recommend that at least 50 percent of the federal funds appropriated for biomass research, excluding the funds for scale-up projects, are used to sustain a national biomass science and technology base via sub-contracts for industry and universities. While it is desirable for the national laboratories to coordinate this research, increased support for U.S. scientists and engineers in industry, academe, and research institutes that are unable to fund biomass research will encourage commercialization of emerging technologies and serious consideration of new ideas. It will also help to expand the professional development and expertise of researchers committed to the advancement of biomass technologies.

To improve management and coordination of biomass research, EERE has consolidated most of its biomass RD&D under a single, integrated Biomass and Biorefinery Systems Program. As a result of the restructuring started in fiscal year 2002, a few major changes were made in biomass RD&D funded under the Interior and Related Agencies Bill in the Industrial Technologies Program (formerly the Office of Industrial Technologies). The two subcategories of biomass RD&D in this program are now called Advanced Biomass Technology: Products Development, and Systems Integration and Production.

Bioenergy and Bioproducts Initiative (BBI)

The original goal of the BBI created as a result of "The Biomass Research and Development Act of 2000," and Title IX of the Farm Bill, was to triple the usage of bioenergy and biobased products. Congress has provided annual funding for the BBI since fiscal year 2000. A strategic plan has been developed by the multi-agency Biomass Research and Development Board (BRDB), co-chaired by the Secretaries of Energy and Agriculture, to achieve this goal. Its achievement is necessary because of environmental, energy security, and projected fuel supply issues, and our increasing dependence on imported oil. We must determine whether practical biomass systems capable of displacing much larger amounts of fossil fuels can be developed. The fossil fuel displaced by waste and virgin biomass in 2000 was 1.55 million BOE per day, approximately 79 percent of which was wood-based.

BERA strongly urges that the BBI be added to the Industrial Technologies Program in fiscal year 2004 at the funding level recommended by BERA, and that the highest priority be given to development of this program component as a line item. BERA recommends that most of the funding for the BBI be used for scale-up.

Advanced Biomass Technology: Products Development (Formerly Industries of the Future [Specific]).

Organic Commodity Chemicals from Biomass (Formerly Agriculture Vision).—This program was started in fiscal year 1999. Projects were selected that used a variety of biomass feedstocks to produce industrial products such as coatings, lubricants, chemicals, plastics, and composite materials. The overall goal was to develop the technologies necessary to displace 10 percent of the fossil feedstocks with biomass for the production of organic commodity chemicals and chemical products. When the goal is fully implemented, it was projected to reduce fossil feedstock usage by 0.189 quad in 2010, and 0.545 quad in 2020. BERA indicated in previous statements that it is important to include the process energy displaced too. In 1999, for example, total fossil feedstock converted to chemicals was approximately 1.26 million BOE/day. Ten percent of this value is 126,000 BOE/day, while the corresponding process energy consumption was about 136,000 BOE/day, or a total of about 0.6 quad annually. The potential energy savings is evident.

EERE reported last year that no new research solicitations would be issued in fiscal year 2003, and that the existing program would be integrated with the EERE-wide bioenergy and bioproducts solicitations that focus on biorefinery development. However, the existing university grants may be increased, and new solicitations may be issued in this area. Twelve active projects were scheduled to be continued. They focused on novel separations technology; the production of plastics, foams, adhesives, and coatings based on sugars and vegetable oils; lower cost and energy use in harvesting, pre-processing, and biomass storage; and the modification of crops to reduce the cost, processing requirements, and energy consumption in the use and conversion of the crops to products. It was expected that 2 projects will involve scale-up to pilot-scale demonstrations with industry, and 1 or 2 will involve commercialization projects on new biopolymers or solvents. Technology breakthroughs were expected that will improve plant composition for conversion to products, and provide novel, lower cost, less energy-intensive harvesting and storage technology.

EERE requested a total of $8,808,000 for fiscal year 2004 to continue this research under the Interior and Related Agencies Bill. This consists of $3,304,000 for thermomochemical conversion products, $5,104,000 for bioconversion products, and $400,000 for technical management. The goals in fiscal year 2004 are to evaluate the existing portfolio of projects in fiscal year 2003, to select and continue those projects that are commercially promising with significant potential for energy savings, to complete validation at the pilot scale in partnership with industry of one new biobased product with long-term potential sales greater than 2 billion lb/yr for economic, technical, and product viability, and to increase product yields and energy efficiency in key chemical product chains by more than 30 percent.

BERA believes that this effort is very worthwhile. Successful implementation of the commodity chemicals-from-biomass research is expected to result in many regional and national benefits because virtually all commodity organic chemicals and products—including plastics and petroleum- and natural gas-derived chemicals—can be manufactured from biomass. Focusing on reducing the energy intensity of established organic chemical commodities as well as on new products where appropriate has a high probability of commercial success and of displacing substantial amounts of fossil fuels.

Systems Integration and Production

Industrial Gasification (Formerly Industries of the Future [Crosscutting], Combustion and the gasification projects from the Forest and Paper Products Vision).—The largest part of this research, which started several years ago, was the industry cost-shared program to develop and commercialize the gasification of black liquor. In the appropriations request for fiscal year 2004, DOE states that funding for technology development and validation appear to be within industry's capability, so funding is not requested in view of the industry's ability to pursue further development without DOE support. While industry has provided all funding for a small-scale, black liquor gasification facility in Canada, there has been no such commitment from paper companies for projects in the United States. Therefore, BERA strongly urges that this program be continued with industry cost-sharing to the point where industry will assume all financial risks.

There are several reasons that support BERA's position. Black liquor gasification provides a pathway to combined electric power generation and the recovery and recycling of chemicals for the pulp and paper industry at much higher efficiencies than the industry currently realizes from combustion methods. Presuming there is wide-spread acceptance of one or both of the two basic processes under development—high-temperature processing at the facility in North Carolina, and low-temperature processing at the facility in Virginia scheduled to be operational in the fall

of 2003—adoption by the pulp and paper industry is projected to eliminate all power purchases and to make the industry energy self-sufficient. Twenty GW of renewable generating capacity, which is about twice the capacity of all biomass-fueled generating systems today, could be realized. Also, it is estimated that industry's use of this technology would reduce carbon emissions by more than 20 million tonnes each year. The pulp and paper industry currently purchases over 90 TWh of electricity annually.

Finally, it is important to emphasize that the pulp and paper industry has been involved in cost-sharing these programs since they were started at DOE, and has a sizable investment in this RD&D to date. The benefits of their participation will probably be lost if the programs are zeroed-out at this time. According to discussions with industry representatives during review of this research by BERA, the industry is not expected to continue the work without DOE support because of its current economic position and the risks involved.

Forest and Paper Products Vision.—Excluding the energy savings from black liquor gasification, EERE staff estimates this effort can reduce fossil energy usage by 0.080 quad in 2010, and 0.258 quad in 2020. This basic assessment, along with economic analyses, when applied to development of this program, will help ensure its success. The program has significant matching funds from industry and continues to show significant value in addressing both national and industry priorities.

The program for fiscal year 2003 was described as follows: Sustainable Forestry consists of approximately 8 projects on biotechnology, tree physiology, and sustainable soil productivity, including the continuation of studies to develop process models to predict the effect of forest management on growth and productivity on managed forests; Energy Performance consists of approximately 12 projects on efficiency, heat recovery, wood and paper drying, deposit formation in boilers, and corrosion-resistant materials for black liquor gasifiers; Environmental Performance consists of approximately 7 projects to develop advanced pollution prevention technologies, reduce pollution abatement costs, and demonstration of volatile organic compound emissions reductions at a forest products mill; Improved Capital Effectiveness consists of approximately 10 projects focused on system and process efficiency and materials of construction and fabrication; Recycling consists of approximately 7 projects to reduce energy use and fiber deterioration in recycling, improving separation technologies, expanding the use of recycled fibers, and optimizing drying processes; Sensors and Controls consists of 5 projects on the development of actuators and control devices, process and product measurement and modeling, data interpretation, and a wireless microwave-based moisture sensor in a wood-drying kiln.

EERE has requested funding of $4,021,000 under the Interior and Related Agencies Bill for fiscal year 2004. One of the goals is to support voluntary efforts by the American Forest & Paper Association and other industry organizations to improve their energy efficiency and environmental performance through the industry's Agenda 2020. This activity will include cost-shared research. In addition, those activities with the highest long-term energy savings potential will be continued such as development of new paper dewatering techniques, advanced sustainable forestry projects, scale-up of solid waste recovery technology, and the selection of new projects that help improve energy efficiency and environmental performance that industry would not undertake without federal support.

BERA recommends that this program be continued at the requested funding level.

PREPARED STATEMENT OF THE BUREAU OF ECONOMIC GEOLOGY, THE UNIVERSITY OF TEXAS AT AUSTIN

Thank you for this opportunity to provide the Bureau of Economic Geology's perspective on fiscal year 2004 appropriations for the Department of Energy Fossil Energy Budget. The President's budget proposes deep cuts to the U.S. Department of Energy's Fossil Energy Research and Development, specifically the National Energy Technology Laboratory (NETL) and the National Petroleum Technology Office (NPTO) programs. I understand that the Oil Technology budget was reduced from $56.2 million in 2002 to $42.3 million in 2003 to $15.0 million in 2004, and the Natural Gas Technology budget was kept level from $44.1 million in 2002 to $47.3 million in 2003 and reduced to $26.6 million in 2004.

These reductions come at a time when private sector spending on fossil energy research is at a several-decade low and falling, university enrollments in geosciences and petroleum engineering are at 40-year lows, oil and natural gas demand represents 60 percent of all energy demand combined and is rising in percentage and absolute terms owing to increased overall energy demand, imports of oil and natural gas by percentage continue to rise and impact national security, and oil and gas re-

sources that remain—although potentially abundant—will require new and advanced technologies. The time is critical for a changed model from the past, a model that includes increased Federal awareness of the changed nature of the private energy sector, leveraging of the very real opportunities for private-public partnerships, and public awareness of the economic and environmental benefits that will result from same.

CONSUMPTION: FOSSIL ENERGY CONSUMPTION IS RISING AND THE TREND IS TOWARD NATURAL GAS

The past 20 years (1980–1999) have seen a steady and predictable decrease in the percentage of global energy consumption satisfied by oil (46 percent down to 40 percent) and coal (26 percent down to 22 percent), and an associated increase in the percentage of global energy consumption satisfied by a combination of natural gas, nuclear, and other renewables (28 percent up to 38 percent). From 1980 to 1999 total global energy consumption increased by nearly 35 percent (from 282 to 379 quads). During the same period, U.S. total energy consumption increased 23 percent (from 78 to 97 quads).

In contrast to global consumption, which shows a trend away from coal and oil to natural gas, nuclear, and renewables, the U.S. energy consumption mix has remained flat for two decades to a point where today it is nearly identical to the global energy mix (coal 22 percent, oil 39 percent, and natural gas 23 percent). To maintain a flat oil and coal consumption curve, the United States bears the security risks associated with 60 percent and rising oil imports and the resultant air quality emissions from coal-fired electric plants. Importantly, fossil fuels account for 84 percent of global and U.S. energy consumption today. More importantly, for reasons including energy efficiency, environmental well-being, economic stability, health of the future energy workforce, supply distribution, mitigation of an oil crisis, and national security, U.S. energy policy and associated legislation should encourage what Jesse Ausubel describes as "decarbonization"—the changing energy mix toward natural gas, nuclear, and other renewables.

THE CHANGED FACE OF INDUSTRY: PERMANENT DECREASE IN PRIVATE TECHNOLOGY AND RESEARCH

The oil and gas business is, and will remain, a technical one. Drilling and operational technologies have advanced to a point where virtually any land drilling location is technically feasible, ocean water depth is less and less a limiting factor, oil and gas fields can be developed using multilateral well bores from a single vertical well bore, downhole logging tools provide remarkable information about the rock-fluid system, seismic data have evolved to a point where some depositional systems lend themselves to direct hydrocarbon detection, all aided by the seemingly endless improvements in computer—speed, memory, disk, visualization—capabilities. These and other advancements have combined to improve efficiency across the oil and gas industry significantly. In fact, while manpower in the industry has decreased nearly 70 percent in the past two decades, global production of oil and natural gas has steadily increased.

The oil and gas industry changed considerably in the last two decades. Historically, the lion's share of the research and development that resulted in the creation and application of advanced technology and enhanced efficiency was funded by the private sector. Private companies each had research—later to be renamed technology—labs, and they competed for the best intellectual talent from universities, and with each other to develop advancements that would provide differentiating competitive advantage and allow for more expeditious and economic discovery and development of oil and gas. Those days are gone, as are most of the research labs—Amoco, ARCO, Conoco, Texaco, Chevron, Marathon, Mobil, Phillips, and Unocal—and much of the R&D spending by petroleum companies—fallen over 100 percent in the past decade.

Major companies and large independents can no longer afford to operate R&D facilities because the payout time for commercialization of research—commonly on the order of 3 to 10 years—far exceeds what the capital markets and commodity price cycles will bear. In order to meet the quarterly market demands, the private sector has had to focus every effort on reduced cycle time, replacement of reserves (largely through acquisition), quarterly return on investment, and profit.

THE NEED FOR TECHNOLOGY: OIL AND NATURAL GAS WILL REQUIRE INCREASED R&T IN THE FUTURE

Oil.—Oil represents a bridge to the natural gas and hydrogen future. Increased production of known reserves (reserve growth) via enhanced oil recovery (EOR) projects will continue to account for more U.S. oil than new discoveries.

Efficient EOR requires advanced reservoir characterization and technology. These projects in the United States will be conducted largely by the independent producer, who does not have staff or resources for high-level R&D. Federal policy and investment in oil research, technology, and incentives should be directed almost exclusively toward the independent for EOR. Is this corporate welfare? No more than investing in clean coal technology, wind turbines, or fuel cells. It is simply a wise Federal investment in the U.S. energy future. An environmental benefit of EOR is that no new lands will be impacted.

Natural Gas.—Natural gas (1) is an efficient fuel, (2) has significant environmental advantages over coal and oil, (3) is more broadly distributed across the globe, which, once the transportation networks are established, will provide long-term price, economic stability, and security benefits, and (4) will serve as feedstock for hydrogen in a hydrogen economy. The global resource potential of natural gas is very large. To date, natural gas has been produced largely in association with oil, called conventional gas. About one-third of U.S. annual production of natural gas comes from sources not associated with oil called unconventional gas, such as coal-bed methane, shale gas, and basin-centered and tight gas. Other unconventional gas sources include subsalt, ultra deep (>15,000 ft), and gas hydrates. Combined with conventional gas, these unconventional sources represent the future of the global natural gas supply. Because their behavior and distribution are not as well understood, exploration and exploitation will require significant research and technology investment, both Federally and privately.

A BETTER DIRECTION: A PUBLIC-PRIVATE PARTNERSHIP WILL FACILITATE A SMOOTH TRANSITION

We have before us a remarkable opportunity for a public-private partnership that will lead the world into the natural gas economy. For the foreseeable future, a balance in energy sources is critical to satisfy global demand. Stalwarts such as oil, and to some degree coal, will remain prominent sources of global energy for at least the next several decades. But these are sunset sources of energy, and Federal technology investment should be couched accordingly. Dollars spent on new research initiatives in coal are dollars spent against natural global trends. National oil independence is highly unlikely, but energy independence is achievable with a balanced investment in a mix of energy sources.

Oil and gas research programs across Federal agencies have been targeted for massive budget cuts each year for the past several years. The fiscal year 2004 DOE budget requested of Congress for research directed at major U.S. energy production and consumption represents 3 percent of the total DOE budget. Of that 3 percent, only 2 percent is for oil, and 3 percent is for natural gas. The remainder of the 3 percent is for coal (40 percent), renewables (39 percent), and nuclear (16 percent). Let me say that a different way: of the $23.4 billion DOE budget, only $26.6 million (0.1 percent) is for natural gas, and $15 million (0.1 percent) is for oil. Oil and natural gas account for 65 percent of the nation's energy supply but only 0.2 percent of the proposed fiscal year 2004 DOE budget for oil and gas research! Combine these essentially nonexistent Federal dollars with decreases in the private sector, and there appears to be no future for young people in the oil and gas energy field. University statistics reflect this, as U.S. geoscience and petroleum engineering enrollments are at a 35-year low.

For the next several years, Federal investments must be redirected to focus on Federal-private-university partnerships that help bridge the gap to a natural gas economy, including (1) the continued production of coal with some "clean coal" research dollars redirected to natural gas, (2) continued renewable and nuclear energy research, (3) enhanced oil recovery research in support of independent producers ($150 million), and (4) research and technology across the upstream to downstream natural gas spectrum ($300 million).

PREPARED STATEMENT OF CATERPILLAR INC.

Caterpillar Inc. appreciates the opportunity to present its comments for the record addressing the Department of Energy fiscal year 2004 budget request for heavy-duty transportation R&D within the Office of FreedomCAR and Vehicle Technologies

(FCVT.) Caterpillar Inc., a Fortune 100 company headquartered in Peoria, Illinois, is the world's largest manufacturer of construction and mining equipment and diesel and natural gas engines used in a variety of applications. We are the leading worldwide supplier of heavy-duty off-road vehicles and diesel engines for medium and heavy-duty on-road trucks, competing globally primarily from a U.S. manufacturing base.

Our longstanding partnership with the Department of Energy has resulted in the development of an R&D technology road map to assure that project goals are consistent with national priorities and are fiscally responsible. The building blocks for Caterpillar's innovative, fuel-efficient and clean Advanced Combustion Emissions Reduction Technology (ACERT) are the direct result of collaborative R&D efforts between our company and the DOE.

As such, Caterpillar is concerned with the significant reductions in key line items in the fiscal year 2004 FreedomCAR and Vehicle Technologies Program budget submission. Caterpillar understands the need for the Department to focus attention on emerging technologies such as fuel cells and hydrogen power. But, we believe it is equally important to maintain and accelerate R&D efforts that will provide "bridge technologies" to meet the needs of our transportation industry through this decade and into the next. Our comments will focus on six program areas that provide the collaboration and funding of these "bridge technologies" that are essential to improving the fuel efficiency and retaining the competitiveness of our nation's commercial transportation sector.

Heavy Truck Engine.—The Heavy Truck Engine Program, with a fiscal year 2004 agency request of $7.0 million, is competitively bid and designed to respond to the impact on fuel efficiency of upcoming federal emissions standards. These emissions reductions targeted for model year 2007 and beyond could result in a five to ten percent fuel penalty for heavy-duty trucks, which currently consume 30 percent of on-road transportation fuel.

The primary focus of this R&D program is to develop technologies that will enable engine manufacturers to meet federal emissions requirements by 2006 while improving fuel economy by ten percent. The technological complexities and short time frame necessitates a collaborative, 50–50 cost shared effort with the Department of Energy and the federal laboratories to maximize R&D resources. Caterpillar's focus in this program includes the development of advanced fuel and combustion systems, exhaust aftertreatment systems and friction reduction to help improve fuel efficiency.

Now that we are three years into this program, we have learned that the technical challenges are even greater than originally expected. Significant fuel penalties are a near certainty unless a technology breakthrough is created through this well focused, competitively bid, collaborative program. Progress on HCCI (Homogeneous Charge Compression Ignition) combustion with near zero emissions has been encouraging and holds great promise for all commercial trucks and off-road equipment. However, much work remains to provide the overall control and power capability needed for market acceptance. In addition, the application of exhaust aftertreatment technologies has numerous challenges that this program is addressing. If adequate funding is provided, there is a reasonable possibility to deliver a diesel engine demonstration by 2006 that will enable the industry to meet the 2007 emissions regulations with improved fuel efficiency.

Caterpillar strongly urges the subcommittee to provide fiscal year 2004 funding for this line item at $13.5 million (fiscal year 2003 actual was $12.5 million) to reflect the urgency of pulling forward technologies to meet the environmental and commercial challenges facing our transportation system.

Light Truck Engine.—This program, with an agency request of $13.1 million (a $2.0 million decrease from fiscal year 2002 actual), targets the development of compression ignition engine technologies for light-duty applications (trucks, sport utility vehicles and vans). It is focused on achieving a 50 percent improvement in vehicle miles per gallon over comparable production vehicles. This 50 percent cost-shared program, in its final year of funding, involves multiple industry teams comprised of heavy-duty engine and light-duty vehicle manufacturers, plus significant involvement of the DOE laboratories.

Like the Heavy Truck Engine Program, the Light Truck program addresses national energy security concerns and offers a tremendous return on taxpayer investment. For example, a 50 percent market penetration of fuel-efficient light trucks could result in a half-million barrels per day of oil saved, reducing our dependence on imported Mideast OPEC oil by over 20 percent. This could translate into a $10.7 billion annual saving in fuel costs to our economy. As our reliance on foreign oil continues unabated, the development of fuel efficient, cleaner burning technologies for the largest segment of the light-duty vehicle market is critically important.

Caterpillar's focus in the program is to maximize key enabling technologies essential to improving fuel efficiency and emissions reductions. Again, HCCI is a key building block of our strategy to achieve the ultra low emission levels required for light duty trucks. The HCCI combustion approach applies even better to the light duty operating cycle. Light trucks, vans and sport utility vehicles spend the vast majority of time at light loads where HCCI works best. The fundamental HCCI work is similar to the effort underway in the Heavy Truck Engine program. However, the light-duty application is different, especially the duty cycle, aftertreatment and systems integration requirements. Caterpillar's strategy is to develop the fuel and air system technology that is the key enabler for HCCI combustion and work with light truck manufacturers to incorporate this technology into vehicles to dramatically reduce emissions of diesel engines.

Based on the genuine progress made in this program to date, and the enormous potential impact on fuel efficiency, Caterpillar strongly urges the subcommittee to increase the funding for this program to $15 million, in line with the amount approved by Congress for fiscal year 2003. We would also like to strongly suggest that this program be continued for 2 additional years to complete the work.

Off-Highway Engine R&D.—According to the U.S. Environmental Protection Agency, non-road diesel engine emissions of oxides of nitrogen (NOx) will comprise 38 percent of all mobile source NOx emissions by 2010 with diesel particulates (PM) accounting for 60 percent of all mobile source PM emissions. The USEPA has initiated a phased-in emission reduction timetable. Tier 2 regulations began in 2001, with Tier 3 regulations scheduled for implementation beginning in 2006. Without major technological breakthroughs, these emission requirements will cause a significant increase in fuel use. And while some technologies developed for on-road engines can be transferred to non-road applications, the lack of cooling air flow to the engines, differing power demands, and use of extremely high sulfur fuel necessitate the development of new technologies to meet the demands of off-highway equipment.

In fiscal year 2003 Congress increased the funding level to $3.5 million, earmarking the funds for emissions R&D, fuel cell R&D and locomotive R&D. However, DOE has terminated the program in fiscal year 2004. Caterpillar strongly supports retaining the fiscal year 2003 congressional funding level of $3.5 million with $2.0 million earmarked for high efficiency off-highway earthmoving equipment.

Combustion and Emissions Control.—An important element of this comprehensive program, currently underway at Sandia Livermore, Lawrence Livermore and Los Alamos national laboratories, focuses on the need to understand fundamental combustion processes and the development of computer modeling of these processes and validation on laboratory engines. The development of sophisticated computer modeling is critically important for the timely, cost-effective introduction of future clean and efficient power systems for a variety of engine applications. This program funds several Cooperative Research and Development Agreements (CRADAs) working on the development of exhaust aftertreatment technologies requiring the unique equipment and personnel expertise of the DOE national laboratories.

Caterpillar urges the subcommittee to reinstate program funding at the fiscal 2003 level of $23.5 million, allocated equally between light-duty (FreedomCAR) and heavy-duty (21CT) projects.

Advanced Propulsion Materials.—New and improved materials are a necessary and key enabler for many engine system programs. With the recent breakthroughs in new, clean and efficient combustion regimes in our DOE programs, e.g. full and part mode HCCI, the development of new and improved materials is critically important. Along with the commitment to this breakthrough technology are the engine structural challenges in accommodating the much higher pressure rise rates HCCI creates. These are beyond the traditional design options with current materials. So along with the combustion development we also must advance the materials technology to assure a commercially viable breakthrough engine.

The current fiscal year 2004 line item request for heavy-duty propulsion materials is $5.85 million. To meet our future goals, an additional $3 million could be very well utilized, to address HCCI structural needs and accelerate aftertreatment development in areas showing fresh promise. We urge the subcommittee to increase the Fiscal 2004 funding level to $8.85 million.

Fuels Technology Subprogram.—Two activities conducted within this subprogram have had the active participation and support of the heavy-duty diesel engine industry. Unfortunately, both programs have been terminated for fiscal year 2004. In the first instance, the Advanced Petroleum Based Fuels (APBF) activity for heavy-duty engines began with an evaluation of new fuel formulations and their impact on the two most promising types of future aftertreatment systems. The introduction of reliable aftertreatment devices with the most cost effective and compatible fuel for heavy-duty engines is critically important to meeting our goals of cleaner air and

improved fuel efficiencies. Congress approved $8.2 million in fiscal year 2003 for the heavy-duty component of this program and we strongly urge Congress to fund the heavy-duty portion at that level again in fiscal year 2004.

Another activity in this subprogram addresses Environmental Impacts. The data from the source apportionment and ambient ozone studies conducted by this subprogram are the only accurate measurements available and are critically important to identifying the role and contributions of mobile emissions to air quality. Despite the obvious importance of these activities, no other agency has been willing to fund this work. DOE has undertaken the effort because of the direct relationship between emissions reductions and reduced fuel efficiency. We urge Congress to reinstate funding for this subprogram at $2.0 million in fiscal year 2004.

21st Century Truck Partnership.—The 21st Century Truck Partnership was created to provide a systems-wide approach to addressing our national transportation priorities. This collaborative effort includes 16 companies and the Departments of Energy, Defense and Transportation and the Environmental Protection Agency. The partnership embraces 214 projects with annual federal funding approaching $120 million. Operating within the 21st Century Partnership, industry and government will develop critical R&D synergies and establish technology priorities to avoid funding duplication and redundancies. Caterpillar supports this unique R&D collaborative effort and commends the Department of Energy for its leadership.Mr. Chairman, Caterpillar believes that the FreedomCAR and Vehicle Technologies Program effectively addresses real-world technology challenges through the leveraging of public and private sector resources. Achieving the goals set forth in these programs is critically important to meeting our nation's energy and environmental imperatives while maintaining the competitiveness of our transportation sector.

PREPARED STATEMENT OF THE CALIFORNIA GOVERNMENT AND PRIVATE SECTOR COALITION FOR OPERATION CLEAN AIR (OCA)

On behalf of the California Government and Private Sector Coalition for Operation Clean Air's (OCA) Sustainable Incentive Program, we are pleased to submit this statement for the record in support of our fiscal year 2004 funding request of $7,000,000 for OCA as part of a Federal match for the $180 million already contributed by California State and local agencies and the private sector for incentive programs. This request consists of $5,000,000 from the Department of Energy (DOE) for bio mass incentives, and $2,000,000 from DOE for alternative fuels infrastructure funding.

California's great San Joaquin Valley is in crisis. Home to 3.3 million people, its 25,000 square miles may have the most unhealthy air in the Country. Even Los Angeles, long known as the smog capital of the nation; can boast better air quality by certain standards. While peak concentrations of air pollutants are still greater in Los Angeles; for the past four years, the San Joaquin Valley has exceeded Los Angeles in violations of the eight-hour federal health standard.

A combination of geography, topography, meteorology, extreme population growth, urban sprawl and a NAFTA corridor with two major highways that produce 5 million big-rig miles per day driven by diesel powered trucks, have collided to produce an air basin which over 300,000 people, nearly 10 percent of the population, suffers from chronic breathing disorders. In Fresno County, at the heart of the San Joaquin Valley, more than 16 percent of all children suffer from asthma, a rate substantially higher than any other place in California. The extreme summertime heat works to create smog even though smog-forming gases are less than half the amount in the Los Angeles basin. There is no prevailing wind to flush the natural geologic bathtub and, as a result, pollutants and particulates stagnate, accumulate and create unhealthy air.

Degradation of human health is not the only consequence of poor quality air. Because the eight county air pollution control district is designated as a "severe" non-attainment area, a significant number of the Valley's businesses are required to obtain permits and comply with increasingly burdensome regulations imposed by federal and state law and the Air Pollution Control District, resulting in added cost in compliance, reporting and record keeping. At the same time, the area is burdened by unemployment rates of nearly 20 percent. Encouraging business expansion in or relocation to the San Joaquin Valley to combat unemployment is extremely difficult in the face of such regulatory burdens.

In the fall of 2003 the San Joaquin Valley Air Pollution Control District Board will decide whether to become the first District in the nation voluntarily to declare itself an "extreme" non-attainment area. That designation, if made, will defer until 2010 the date for attainment of federal standards of air quality, but will come at

a cost of imposing permitting on thousands of more businesses and even further discouraging business expansion or relocation. Unemployment will certainly not be improved.

The San Joaquin Valley is home to the most productive agricultural land in the world. Over 350 crops are produced commercially on 27,000 farms that encompass more than 5 million irrigated acres. While the agricultural industry has made great strides at considerable expense to replace old diesel engines and manage fugitive dust and other emissions, farming cannot help but contribute to the problem. However, it is a $14 billion industry that forms the backbone of the Valley's economy.

Industry alone is not the source of the Valley's poor air. Population growth faster than the rest of the state and nearly the rest of the nation, in an area without effective mass transit, where cheap land has led to a landscape of suburbia and sprawl, results in excessive over-reliance on the automobile. Trucking has increased dramatically with the increase in population. Other factors such as fireplace burning in the winter, open field agricultural burning because of lack of adequate alternatives, and wild fires resulting from lack of controlled burning in the nearby foothills and mountains all contribute to the problem.

Despite the challenges listed above, much progress has been made. The State has spent nearly $80 million on improvement and compliance programs. Local government and private industry have spent over $100 million on technology and compliance. As specific examples, over one half of the diesel operated irrigation pumps used by agriculture have been replaced with cleaner engines. The City of Tulare has converted its entire fleet of vehicles to natural gas as have several other private fleet operators. A $45 million federally financed comprehensive study of ozone and particulate matter is nearing completion. As a result, the number of one-hour EPA health standard exceedences has been reduced by 40 percent since 1989.

But much more needs to be done. The District estimates that daily emissions must be reduced by 300 tons to achieve attainment. There is no single or short-term quick fix. The entire Valley is part of the problem and the entire Valley will need to be part of the solution.

Operation Clean Air is a coalition of business, government, health care and environmental groups throughout the eight county San Joaquin Valley Air Pollution Control District and Mariposa County. Its goal is to clean the Valley's air and increase its economic prosperity. The coalition seeks to catalogue efforts that have produced positive effects and identify those strategies that could produce even greater effects if supported by sufficient resources. At the heart of its efforts will be an array of sustainable, voluntary practices and activities that can and will be undertaken by all of the residents of the San Joaquin Valley, both public and private, to improve air quality.

This unique public-private partnership has invested considerable resources in this project to date, and will continue to do so, but federal funding is both imperative and justified to help address what is essentially an unfounded federal mandate.

For fiscal year 2004, our Coalition is seeking funding of $2,000,000 from the Department of Energy (DOE) for the installation and operation of alternative fuels infrastructure throughout the San Joaquin Valley Air Basin. The alternative fuels infrastructure will allow for the accelerated introduction of alternatively fueled vehicles in municipal fleets, public school fleets, and private fleets. The widespread use of lower-emitting motor vehicles will provide significant improvement to air quality in the San Joaquin Valley while furthering the goals of the Department of Energy and the National Energy Policy Act. Development of alternative fuel infrastructure will augment the low-emission vehicle program by providing much needed compressed natural gas (CNG) and liquefied natural gas (CNG) fueling facilities.

For fiscal year 2004, our Coalition is also seeking funding of $5,000,000 to provide financial incentives to reduce open field burning of residual agricultural materials by utilizing biomass-energy power plants to burn this material in a controlled environment. This process will result in multiple benefits to the San Joaquin Valley by reducing air pollution and producing electrical power from a renewable source.

Thank you very much your consideration of our requests.

PREPARED STATEMENT OF THE CENTER FOR ADVANCED SEPARATION TECHNOLOGIES

Mr. Chairman and Members of the Subcommittee, I represent the Center for Advanced Separation Technologies (CAST), which is a consortium of seven leading mining schools in the United States. I appreciate the opportunity to submit this testimony requesting your committee to add $4 million to the 2004 Fossil Energy Research and Development budget, U.S. Department of Energy, for Advanced Separa-

tions research. The research in advanced separation is an integral part of the Solid Fuels and Feedstocks Program of the Fossil Energy R&D.

I am joined in this statement by my colleagues from the consortium: Richard J. Sweigard (University of Kentucky), Peter H. Knudsen (Montana Tech), Maurice C. Fuerstenau (University of Nevada-Reno), Ibrahim H. Gundiler (New Mexico Tech), Jan D. Miller (University of Utah) and Richard A. Bajura (West Virginia University).

The U.S. mining industry produces approximately 40 percent of all solid wastes generated in the country. The generation of excessive waste can lead to the loss of valuable natural resources, environmental damage, and higher cost in raw materials production—including the coal that is used to generate 52 percent of the nation's electricity. A large part of the waste generated by the mining industry can be attributed to the inefficiencies of the various separation processes that are currently being used. Therefore, there is a need to develop advanced separation technologies that can be used by the U.S. mining industry. The Center for Advanced Separation Technologies (CAST) has been established to meet this need.

BACKGROUND

In 2001, the U.S. mining industry produced a total of $58 billion of raw materials, which consisted of $39 billion from minerals and $19 billion from coal. The mineral processing industries increased the value of the minerals to $374 billion, while coal and uranium were used to produce 72 percent of the nation's electricity, whose dollar value was $194 billion. Thus, the U.S. mining industry contributed a total of $568 billion to the nation's economy, which accounted for 5.6 percent of its GDP. According to the 2002 Mineral Commodity Summary, major industries further increased the value of the processed mineral materials to $1,720 billion, which accounted for 17 percent of the GDP.

Despite the important contributions that the U.S. mining industry is making to the nation's economy, the country has not been investing in technology development. This is particularly the case with the coal and minerals processing technologies, which are mostly concerned with separating one mineral (or coal) from another. In the absence of advanced separation technologies, companies resort to increasing throughput rather than improving separation efficiencies, which in turn causes increased waste generation. This approach may give higher rates of return on these companies' investments in the short term, but it entails a higher loss of valuable natural resources and greater environmental damages. Fine coal waste impoundments are a notable example. According to a recent NRC report, the U.S. coal industry is discarding 70 to 90 million tons of fine coal annually to 713 impoundments, mostly in the Appalachian coal field.

To address the need for the advanced separation technologies that can be used by the U.S. mining industry, the National Energy Technology Laboratory (NETL) issued a solicitation (DE–PS26–00FT40756) in 1999 for the creation of a knowledge base for solid-solid and solid-liquid separation technologies. Virginia Tech and West Virginia University jointly responded to this solicitation and proposed to establish the Center for Advanced Separation Technologies (CAST). The objective of the alliance was to conduct long-term, high-risk research, primarily for the U.S. coal industry.

In 2002, NETL issued a second solicitation (DE–PS26–02NT41422–9) requesting proposals for developing crosscutting advanced separation technologies for both the U.S. coal and minerals industries. CAST responded to this solicitation as a consortium of seven universities: Montana Tech of the University of Montana, New Mexico Institute of Mining and Technology, University of Nevada-Reno, University of Utah, University of Kentucky, West Virginia University, and Virginia Tech. The proposed work addressed a broad spectrum of technological needs of the mining companies operating in different geographical locations of the United States. The proposal was selected for $8.8 million of funding for three years, which included $1.8 million for the first year, $3 million for the second year, and $4 million for the third year. This testimony is to present a progress report and a rationale for requesting the third year funding.

PROGRESS TO DATE

During August 14–15, 2002, CAST organized a workshop in Charleston, West Virginia, to identify the technological needs of the U.S. mining industry. A large number of industry leaders participated and developed a 63-page roadmap for research. The document has recently been printed and distributed throughout the U.S. mining industry and is available at the CAST website (www.castconsort.org). Faculty members from the participating universities developed research proposals, which were

reviewed by industry representatives in accordance with the priorities outlined in the roadmap, and the U.S. Department of Energy made the final selection in light of its policies and national needs.

Solid-liquid separation (dewatering) was one of the research topics that were given the highest priority in the roadmap, which may be a reflection of the fact that many coal companies continue to discard ultrafine coal to impoundments mainly due to the difficulty in dewatering. CAST is currently developing several different fine coal dewatering processes, including the development of novel dewatering aids (chemicals), a hyperbaric centrifugal filter (HBF), and a hyperbaric horizontal belt filter (HBF). Several dewatering aids have been tested successfully in a small pilot-scale continuous operation. Tests conducted on fine coal recovered from a large impoundment in southern West Virginia showed that the use of novel dewatering aids can more than double the throughput of vacuum filtration, reduce the moisture content substantially, and improve the handleability of the processed coal. Based on these successful test results, Beard Technologies, Inc. of Pittsburgh, Pennsylvania, is planning to construct a 200-ton per hour recovery plant. The HCF and HBF are designed to create an optimum pressure drop across a filter cake and thereby achieve higher filtration rates and low cake moistures.

In general, solid-solid and solid-liquid separation processes become more efficient with narrowly sized feeds. Separation becomes particularly difficult with feeds containing large amounts of ultrafine particles (or slimes). In this regard, the industry representatives who participated in the 2002 CAST workshop stressed the need to develop efficient methods of desliming coal. Two CAST member universities are jointly working on the project. It has also been shown that enhanced-gravity separators work substantially better when the feed coal is deslimed.

In 2002, CAST took a major step forward by expanding the scope of its research beyond coal. The justification for this shift was that many of the unit operations used in the coal and mineral processing industries are common. Thus, a research investment in the improvement of a crosscutting technology such as flotation would be cost efficient. Furthermore, the cost of implementing the results of a crosscutting technology development is lower due to the larger customer base.

The modern form of flotation technology was introduced to the mining industry nearly one hundred years ago. Yet, it was only recently that comprehensive flotation models were developed from first principles, which has made it possible to predict flotation performance on the basis of a broad spectrum of process parameters. CAST is further developing the models so that they can be used to predict flotation rates under more realistic conditions. Based on preliminary model predictions, a set of new flotation reagents has been developed, some of which are being used commercially for coal flotation in the United States and Australia.

Beginning in 2002, CAST started research in the area of minerals processing as part of its mission to develop crosscutting technologies. An alternative to copper smelting has been sought for years for cost and environmental reasons. However, chalcopyrite is notoriously difficult to dissolve in acidic media due to the formation of an impermeable sulfur layer forming on the mineral surface. This problem has been overcome by adding finely divided solids that can support photo-catalytic reactions. CAST is also developing methods of optimizing heap leaching processes by conducting 3–D mineral exposure analysis, and of improving the separation of phosphate, potash, kaolin clay and trona in efficient and environmentally acceptable manner.

PROPOSAL

The research activities will follow the CAST Technology Roadmap, which identifies three generic research areas: (i) physical separation, (ii) chemical/biological separation, and (iii) environmental control. In physical separation, issues concerning size-size, solid-solid, and solid-liquid separations will be addressed. High priority research topics in these areas of research will include the development of efficient desliming methods, dewatering fine coal, extending the upper and lower particle size limits of flotation, and the densification of waste materials. In chemical/biological separation, methods of leaching refractory base metal sulfide ores will be developed. The photocatalytic technique that is currently under development can be an alternative method to the energy-intensive smelting process and can minimize pollution. Chemical and biological separation methods will be developed to process low-grade ores and to remove both organic and inorganic sulfur from coal. In environmental control, advanced methods for separating various contaminants from wastewater streams and soils will be developed. In general, the advanced separation technologies to be developed in the three generic areas of research identified above will be useful for increasing the efficiency of coal and mineral processing operations,

which will result in the minimization of the wastes generated by the U.S. mining industry.

To promote industrial participation, CAST will initiate the Cooperative Research Program, in which groups of companies will jointly fund projects of common interest to solve specific industrial problems using the wide-spectrum of expertise available at the Center. This program will serve as a vehicle for generating substantial cost-sharing funds.

RATIONALE

The U.S. mining industry is facing a difficult time due to high operating costs, stringent environmental regulations and a worldwide economic downturn. To cope with this situation, many companies are trying to survive by increasing their production capacity without due consideration of improving efficiency, which in turn causes greater waste generation and loss of valuable natural resources. It is, therefore, necessary to develop advanced separation technologies that can be used to increase recovery rates and hence minimize waste generation.

The United States is by far the largest mining country of the world with $58 billion of raw materials produced in 2001. Australia is the distant second, with $17.5 billion in 2000. Yet, Australia has established a total of five centers of excellence in the area of minerals and coal processing research. In the United States, CAST is the only such center. The center is poised for success, as it is a consortium of seven universities with diverse expertise and its research activities are carried out in close consultation with a broad spectrum of U.S. mining companies.

REQUEST

Thanks to the support of your Committee, the proposal submitted by CAST to DOE has been selected for funding for three years. It is sincerely hoped that this testimony provides justification for requesting $4 million for the third year funding.

PREPARED STATEMENT OF THE COAL UTILIZATION RESEARCH COUNCIL (CURC)

SYNOPSIS OF CURC [1] TESTIMONY

Our testimony focuses upon the following three topics:

1. The DOE-CURC-EPRI Clean Coal Technology Roadmap;
2. A recommendation to increase funding for programs in the President's Clean Coal Research Initiative in the DOE Fossil Energy Budget to $347.65 million, which represents a $60.0 million increase over the Administration's requested $287.65 million for those programs in fiscal year 2004; and
3. The Department of Energy's FutureGen Initiative.

THE CLEAN COAL TECHNOLOGY ROADMAP

In collaboration with the fossil fuel experts at the Department of Energy (DOE), as well as the professional staff of the Electric Power Research Institute (EPRI), the CURC has drafted a clean coal technology roadmap. A copy of the technology roadmap is available upon request and can also be obtained on the CURC website at www.coal.org.

The roadmap seeks to identify the critical technologies that must be successfully developed, as well as the timelines for when that development must take place, if the Nation is to have highly efficient (near 55 to 60 percent conversion to useful energy) coal energy production facilities available for commercial deployment by 2020. These same technologies will be capable of near zero emissions to the air or water and will be able to provide low cost, competitive electricity or other useful products to end use consumers. In addition, the roadmap seeks to define a technology development program for carbon management; that is, the prevention or capture and sequestration of carbon dioxide. In the event public policies are determined necessary for the capture/sequestration of CO_2 at some future time, then it is important that we have technologies designed to safely and effectively address this matter.

---

[1] The CURC is an ad-hoc group of electric utilities, coal producers, equipment suppliers, state government agencies, and universities. CURC members work together to promote coal utilization research and development and to commercialize new coal technologies. Our 40+ members share a common vision of the strategic importance for this country's continued utilization of coal in a cost-effective and environmentally acceptable manner.

It is our intent to evaluate this and future year budget requests, to score the progress and direction of technology development conducted by the Department of Energy, and to advise the current and future Administrations as well as the Congress about coal-based technology issues by using the technology roadmap as a principal reference. We have utilized the roadmap as a "tool" by which to judge budget priorities for fiscal year 2004 and the progress or success of R&D endeavors. Further, and more importantly, we hope that the roadmap will become a "tool" to enable the Congress to ask whether certain research and development programs are necessary or whether funding should be augmented or terminated for those programs. The members of CURC are ready to assist the Congress in understanding the elements of the roadmap and how the document might be used to oversee the coal technology R&D programs of the DOE and others.

SPECIFIC FUNDING RECOMMENDATIONS FOR THE COAL R&D PROGRAM

[In millions of dollars]

Technology program	Administration fiscal year 2004 request	CURC roadmap annual R&D budget [1]	CURC fiscal year 2004 proposed budget
Clean Coal Power Initiative	130.00	240.00	150.00
IGCC/Gasification	51.00	106.00	62.00
Pressurized fluidized bed (PFB)	.....	14.00	12.00
Innovations for Existing Plants	22.00	43.00	32.00
Advanced turbines	[2] 13.00	[2] 15.00	23.00
Carbon Sequestration	62.00	84.00	52.00
Advanced research—Ultrasupercitical Materials Consortium	4.65	4.00	4.65
Coal derived fuels & liquids	[2] 5.00	[2] 13.00	12.00
Total	287.65	519.00	347.65

[1] This number is 80 percent of the total R&D amount required and represents the federal contribution. It is assumed that industry would provide the other 20 percent required to carry out the R&D. The annual budgets are based upon the CURC Roadmap through fiscal year 2010; the annual budgets from 2011–2020 are not reflected.

[2] Not specified for coal syngas R&D.

Clean Coal Power Initiative.—CURC recommends that fiscal year 2004 CCPI funding be appropriated at the fiscal year 2003 level ($150 million) so that there will be sufficient funds for multiple, large-scale demonstration projects to be selected in the next program solicitation. In addition, because of the CCPI program's critical importance as well as the need to provide assurances to industry that the program will continue to be adequately funded, CURC recommends that the CCPI program be fully funded through advance appropriations.

IGCC/Gasification.—The requested increase in funding from $44.7 million in fiscal year 2003 to $51.0 million in fiscal year 2004 is insufficient to keep the development of promising IGCC systems on track and further funding is requested. Specifically, CURC supports the recommended budget levels for the H2/CO separation and other gas cleanup at $8 million and the gasification slipstream units at $9 million. CURC recommends that an additional $3 million in funding be allocated to ceramic membrane and oxygen separation activities, for a total of $12 million, and recommends an additional $8 million be appropriated to fund hydrogen storage and materials management research. CURC also supports funding for the PSDF operation at $21 million, but notes that this funding will simply maintain the program in its current state.

There are a variety of other R&D activities to further IGCC technology that should be funded. These include: the application of IGCC systems on sub-bituminous and low-rank coals, coal-derived hydrogen, oxygen-blown transport gasifier, air separation membranes, advanced synthesis gas cleanup, solid oxide fuel cell element, combustion turbine burners, synthesis gas coolers, improved fuel feed systems, and high-temperature heat exchangers, and a number of other activities. (The CURC supports activities in these areas, although no specific funding levels are recommended.)

Pressurized Fluidized Bed (PFB) Systems.—CURC recommends that DOE restore in fiscal year 2004 funding for coal combustion-based R&D at $12.0 million. Further, this program should be renamed "Advanced Combustion Systems" and focus on development of high efficiency, superior environmental performance, and CO_2 sequestration technologies. The CURC recommends that the advanced combustion program should focus on the following areas: advanced combustion technologies able to capture and sequester CO_2, including high efficiency oxygen combustion systems and

chemical looping systems; hybrid power plant systems; ultra-supercritical steam cycles; and, continued funding for the Combustion Technologies University Alliance.

Advanced Turbines.—The recommended increase in funding is specifically directed to research in high efficiency gas turbines configured for use of synthesis gas derived from coal. The increased funding will accelerate the development of critical component technologies that will allow advanced gas turbines (i.e., G and ATS (H) class gas turbines just now entering the market operating on natural gas) to operate in coal-based IGCC plants. Specifically, additional focus and R&D funding is needed in the following areas: syngas tolerant advanced gas turbine materials and coating systems; sensors and monitors for syngas applications; and ultra-low emission combustion systems for fuel flexible gas turbines.

Innovations For Existing Plants.—CURC recommends an increase of $10 million in the fine particulate/air toxics budget in order to increase the number of full-scale field tests from 3 to 4 tests to 10, to allow tests with lignite, sub-bituminous, and low-Cl and high-Cl bituminous coals at various configurations. Additional funding also should be made available for the superclean systems budget to fully fund the solicitation due in the fall of 2003 to develop improved technology and materials for meeting increasingly stringent NO_X requirements, or in the "waste and water management" budget to address pressing clean water regulatory issues.

Carbon Sequestration.—CURC recommends that the carbon sequestration program reduce its funding for the National Climate Change Technology Initiative (NCCTI) program by $10 million (the current Request is $13 million) in order to allocate funds to other coal-related programs in the Fossil Energy Budget. Funds for the NCCTI program should be considered of secondary importance to the immediate need to develop carbon separation and sequestration technologies that will be required to support the FutureGen Project. CURC recommends that the funds provided for carbon sequestration should focus on near-term proof of concept projects and provide out-year funding for demonstration of CO_2 separation and sequestration technologies.

Advanced Research—Ultra-Supercritical Materials Consortium.—CURC believes that the ultra-supercritical materials consortium should be funded at the level recommended in the fiscal year 2004 Budget request. The program, based on successful results will provide the materials and processing technologies to increase steam conditions, enabling attainment of higher generation efficiencies.

Coal Derived Fuels And Liquids.—CURC recommends that funding for hydrogen fuel derived from coal is an activity more appropriately placed in the IGCC program. CURC recommends that funding for Coal Derived Fuels and Liquids be allocated at $12 million in total funding, with $8 million in funding for Transportation Fuels and Chemicals. Of the $8 million, $3 million should be allocated to complete present commitments to the Early Entrance Co-Production program, $1 million for advanced computational modeling work focused on polygeneration system designs (power, liquids, hydrogen, co-generation), and $4 million for work on reactor design, catalyst development, scale-up, and engineering and development. In addition, CURC recommends retaining an Advanced Fuels Research Program at $4 million in total funding, with $2 million focused on military applications of coal-based fuels to meet requirements for logistic fuels.

THE PROPOSED FUTUREGEN PROJECT

In late February, Secretary of Energy Spencer Abraham announced that the United States will lead a $1.0 billion public-private effort to construct the world's first pollution-free, fossil fuel power plant. The prototype power production facility, according to Secretary Abraham, will serve as a research platform to develop new technologies for electricity and hydrogen production, and for carbon capture and sequestration.

First, the CURC supports this very important research project capable of testing and integrating a variety of cutting edge technologies.

Second, FutureGen is estimated to cost at least $1.0 billion. Because it will be a research program, it is important to acknowledge that the government will be contributing at least 80 percent of the total funding required for the project.

Third, the ten-year FutureGen project will require, at least, $800 million in federal contributions. These funds must be made available from new funds and not acquired by stripping funding from other coal technology development programs. Specifically, the CURC would strongly oppose any plans to acquire funding by reducing announced funding for the President's Clean Coal Power Initiative. Further, funds should not be obtained simply by reducing or eliminating other important, on-going coal R&D and demonstration programs. These on-going programs are also instrumental in the development of clean coal technologies that have yet to be proven at

commercial scale and will not be demonstrated in the FutureGen project. Examples of ongoing programs include innovations for existing plants, advanced combustion technologies, and carbon management programs.

CONCLUSION

The DOE-CURC-EPRI roadmap describes a variety of advanced coal-based energy systems that, if fully developed, will ensure cost-effective, efficient and environmentally acceptable uses of coal, as well as the timeframes for development of those technologies and the performance requirements of these systems. However, if critical components of a particular system are not developed in a timely manner, a promising technology may not materialize in the recommended timeframe. Importantly, to achieve timely technology development, the government's long-term commitment must be assured and funding of programs must be substantial. Technology is the key to assuring the long-term use of coal, and the Department of Energy's coal RD&D programs are vital to that technology development.

PREPARED STATEMENT OF THE COALITION OF NORTHEASTERN GOVERNORS

The Coalition of Northeastern Governors (CONEG) is pleased to provide this testimony to the Senate Subcommittee on Interior and Related Agencies regarding fiscal year 2004 appropriations for the Energy Conservation programs of the U.S. Department of Energy. The Governors appreciate the Subcommittee's support for these programs, and recognize the difficult funding decisions which confront the Subcommittee this year. At a time of heightened attention to the security, reliability and efficiency of the nation's energy systems, we believe that modest federal investment in these programs provides substantial energy, economic and environmental returns to the nation. In recognition of the contribution which energy efficiency and conservation programs make to cost-effective energy strategies, the CONEG Governors request that funding for the State Energy Program be increased to $74 million, and that funding for the Weatherization Assistance Program be increased to $288 million in fiscal year 2004. The Governors also request that funding for the Northeast Home Heating Oil Reserve be maintained at $6 million in fiscal year 2004.

The Department of Energy's State Energy Program and Weatherization Assistance Program provide valuable opportunities for the states, industry, national laboratories and the U.S. Department of Energy to collaborate in moving energy efficiency and renewable energy research, technologies, practices and information to the public and into the marketplace. Administered by the 50 states, District of Columbia and territories, these programs are an efficient way to achieve national energy goals, as they tailor energy projects to specific community needs, economic and climate conditions.

State Energy Assistance Program.—The State Energy Program (SEP) is the major state-federal partnership program for energy. While it represents only a small portion of overall funding for state energy activities, it is a critical nucleus for many states. As the nation moves to enhance the security of its energy infrastructure, the energy emergency preparedness activities long provided by state energy offices take on heightened significance. Increased SEP funding in fiscal year 2004 will ensure that States can continue to rely upon state energy offices to serve as their essential energy emergency preparedness officials in providing this vital public security and safety function. As part of the nation's strategy for a balanced, reliable energy system, SEP also helps move energy efficiency and renewable energy technology into the marketplace. Through the SEP, states also assist schools, municipalities, businesses, residential customers and others in both the private and public sectors to incorporate the practices and technologies which help them manage their energy use wisely.

The modest federal funds provided to the SEP are an efficient federal investment, as they are leveraged by non-federal public and private sources. According to a study of the SEP done by the Oak Ridge National Laboratory at the request of U.S. Department of Energy, every dollar in SEP funding yields $3.54 in "leveraged" funding from the state and private sectors, and results in $7.23 in annual energy cost savings. This adds up to over $256 million in annual energy costs savings. These savings estimates do not capture the valuable public benefits, such as energy emergency planning and preparedness, provided by SEP. In short, the Oak Ridge report concludes that the SEP, with its impressive savings and emissions reductions, ratios of savings to funding and payback periods, offers effective operations and a substantial positive impact on the nation's energy situation.

Weatherization Assistance Program.—The Weatherization Assistance Program (WAP) helps low-income households better manage their ongoing energy use, thereby reducing the heating and cooling bills of the nation's most vulnerable citizens. According to the U.S. Department of Energy, low-income households spend 14 percent of their annual income on energy, compared to 3.5 percent for other households. The Weatherization Assistance Program strives to reduce the energy burden of low-income residents through such energy saving measures as the installation of insulation and energy-efficient lighting, and heating and cooling system tune-ups. These measures can result in energy savings as high as 30 percent.

Northeast Home Heating Oil Reserve.—The nation's heightened emphasis on energy security places renewed importance on the Northeast Home Heating Oil Reserve. The Northeast, with its reliance upon imported fuels for both residential and commercial heating, is particularly vulnerable to the effects of supply disruptions and price volatility. The Reserve provides an important buffer to ensure that the states will have prompt access to immediate supplies in the event of a supply emergency.

In conclusion, we request that the Subcommittee increase funding for the State Energy Program to $74 million and for the Weatherization Assistance Program to $288 million; and that it maintain funding at the level of $6 million for the Northeast Home Heating Oil Reserve in fiscal year 2004. These programs have demonstrated their effectiveness in contributing to the nation's goals of environmentally sound energy management and improved economic productivity and energy security.

We thank the Subcommittee for this opportunity to share the views of the Coalition of Northeastern Governors, and we stand ready to provide you with any additional information on the importance of these programs to the Northeast.

PREPARED STATEMENT OF THE GASIFICATION TECHNOLOGIES COUNCIL

The Gasification Technologies Council (GTC) submits this statement addressing fiscal year 2004 appropriations for the U.S. Department of Energy's (DOE) Integrated Gasification Combined Cycle (IGCC) R&D program, the High Efficiency Engines and Turbines R&D program, the Coal Derived Fuels and Liquids R&D program and the Clean Coal Power Initiative. Specific funding recommendations are listed below:

—The IGCC R&D program for fiscal year 2004 should be funded at a $60 million level, up from the $51 million requested.

—The High Efficiency Engines and Turbines (HEET) program for R&D activities directed toward enabling advanced gas turbines to operate on gasification-based synthesis gas should be funded at a $24.5 million level, instead of the $13 million requested.

—The Coal Derived Fuels and Liquids Program funding should be $12 million, instead of the $5 million requested.

—The Clean Coal Power Initiative (CCPI) should be funded at a level of $150 million instead of the $130 million requested.

—Any funding for the FutureGen program should come from new revenue sources and not transfers from any of the above programs.

ROLE OF GASIFICATION IN DOE STRATEGY, POLICIES & PROGRAMS

Gasification related technologies are key elements in the DOE's strategy to bring extremely clean, highly efficient coal based power generation into the marketplace. More advanced and competitive technologies are fundamental to achieving this goal, as well as to the successful implementation of Vision 21 and the FutureGen pollution-free power plant. Continuing and robust IGCC R&D, HEET R&D, Coal Derived Fuels and Liquids R&D, and CCPI programs, together with tax incentives being proposed in the new energy legislation, are necessary to achieve the goal of state-of-the-art, competitive gasification-based technologies.

Gasification-based power generation, as embodied in an Integrated Gasification Combined Cycle (IGCC) power plant configuration, has inherently superior environmental benefits compared to combustion-based power generation:

—*Hydrogen Economy*.—Gasification offers the most cost-effective means of producing hydrogen from coal. However, for our vast coal resources to become a viable alternative to natural gas as a source of hydrogen, gasification technology needs first to be established as a competitive means of generating power from coal through continued research, development and demonstration efforts.

—*Carbon Removal & Sequestration*.—If CO_2 removal from coal-based power generation becomes a regulatory requirement in the future, the impact on the cost of electricity will be significant. Because of its inherent characteristics, gasifi-

cation based power production will enable the addition of CO_2 removal at the lowest additional cost and thus support the ability of coal to remain a viable feedstock for power production if carbon capture and sequestration are required. The average additional capital cost to include CO_2 capture in the design of a pulverized coal plant is expected to be more than twice the additional capital to add that capability to an IGCC plant. Furthermore, the associated decreases in capacity and efficiency of the pulverized coal plant are expected to be twice that of an IGCC plant. The R&D to confirm and extend IGCC performance in this regard is important to the goal of minimizing the impact on coal-based power cost, should CO_2 capture become a requirement.

—*Mercury Emissions Reductions*.—Volatile mercury removal from coal gasification-based synthesis gas is being practiced commercially today. In fact, a recent DOE-funded study concluded that the cost of 90 percent+ volatile mercury removal from a gasification-based plant would be but one-tenth of that from a combustion-based plant of comparable capacity.

—*Efficiency*.—IGCC plants already are more efficient than combustion based plants because they enable the use of high efficiency gas turbines to generate power. Further improvements now being developed in the DOE IGCC R&D program focusing on discrete components of the IGCC system, including high efficiency gas turbines and ceramic air separation membranes among others, offer a future of additional efficiency improvements. Combustion-based technologies, faced with the need to add on energy intensive emissions control systems to meet more stringent air regulations, will likely see reduced efficiencies and generate additional solid wastes.

—*Criteria Pollutants*.—IGCC reduces criteria pollutant emissions (SO_X, NO_X, CO and particulates) from coal-based power generation to levels that cannot be achieved by combustion-based technologies at comparable capital and operating costs, and comparable efficiency levels. An IGCC also generates far lower levels of solid wastes. DOE sponsored R&D in several key areas promises to widen further IGCC'S advantages in emissions reductions.

THE IMPORTANCE OF ROBUST GASIFICATION R&D PROGRAMS

The inherent technical benefits of gasification noted above cannot be fully realized on an accelerated schedule without a solid underpinning of research and development, both in the private sector and in joint public-private sector endeavors as embodied in the current DOE IGCC program in combination with a continuation of the CCPI.

The managers of the DOE IGCC research program have been working closely with the gasification industry to define critical technology improvements that will enhance the performance and reduce the cost of IGCC to help stimulate future deployment of the technology. A recent study has shown that if the goals of the DOE fossil energy R&D program, including IGCC, are realized, by 2020 the use of IGCC could see a ten-fold increase over what otherwise would occur. This would increase coal use by ten percent, and reduce pressures on natural gas use for power generation, with no increase in criteria pollutants and with a decrease in mercury emissions from coal-based power generation. However, this analysis is premised on a successful DOE fossil R&D program, including the IGCC and HEET efforts.

WHY ADDITIONAL FUNDS ARE NEEDED FOR IGCC R&D

Although the 2004 budget request for the IGCC R&D program appears higher than for the prior year, a number of combustion-related programs that had been partly funded by IGCC are now being entirely funded by the IGCC program area. This means that, if current IGCC programs are to be adequately funded, and important new efforts initiated, total appropriations for IGCC R&D should be increased from the requested level of $51 million to a minimum of $60 million.

The DOE IGCC program office has made a concerted effort for the past several years to actively seek out industry views on critical gasification R&D requirements. The goal of this effort has been to make sure that limited public funds are directed toward projects that will be leveraged by private sector funds and that will have payoffs in introducing improved technologies into the marketplace. The increased funding being recommended will enable these joint public-private R&D efforts to continue.

Recommended Fiscal Year 2004 IGCC R&D Appropriation.—$60 million

WHY ADDITIONAL FUNDS ARE NEEDED FOR THE HEET R&D PROGRAM

Today's most advanced gas turbines, offering increased efficiency (with accompanying lower operating costs and reduced carbon emissions) have not yet been proven on combustion of syngas from coal-based IGCC systems. There is a distinct need for further R&D to develop advanced turbines for coal-derived syngas utilization and test them in full-scale demonstrations in coal gasification systems. This will be necessary in order to achieve the high efficiency levels necessary to meet the goal of developing by 2008 a 50 percent efficient coal-based IGCC plant at a cost of less than $1,000/kW with near zero emissions.

Recommended HEET Fiscal Year 2004 Appropriation.—$24.5 million

WHY ADDITIONAL FUNDS ARE NEEDED FOR COAL DERIVED FUELS AND LIQUIDS R&D

Co-production of chemicals and fuels should be encouraged through ongoing financial support in the DOE fossil fuels R&D program.

Coal derived fuels and liquids research are necessary to enable further development of "polygeneration" facilities which have the capability of producing not just electricity and steam, but also chemicals and fuels (both hydrogen and liquid fuels) as well. Such polygeneration facilities will ultimately improve the overall economics of building and operating gasificationbased power generation plants, thereby accelerating their deployment into the marketplace and bringing with them substantial environmental and efficiency advances.

Additionally, although one national long term goal is a hydrogen fueled transportation fleet, it is also necessary to address intermediate term needs to improve performance and emissions characteristics of our current liquid fueled fleet of vehicles with coal-derived "zero-sulfur" liquid fuels that are co-produced in conjunction with an IGCC plant.

The goal of diversifying the sources of transportation fuels to include coal-based fuels, which complements programs in Vision 21 and FutureGen, is also a consideration in supporting increasing funding for R&D for coal derived transportation fuels.

Recommended Coal-Derived Liquids and Fuels Fiscal Year 2004 Appropriation.—$12 million

WHY ADDITIONAL FUNDS ARE NEEDED FOR THE CCPI

GTC recommends that appropriations for the Clean Coal Power Initiative be maintained at no less than the $150 million of the prior year. This will signal to potential industrial investors in the program that the Congress continues to view the CCPI as a high priority with long term public policy support. This level of funding over extended years will provide sufficient funds for multiple, large-scale demonstration projects to be selected under the next, and future, program solicitation. Any reduction in CCPI funding from previous year levels will limit the number of otherwise worthy projects that can be funded and thereby limit the technical progress that can be made.

Recommended CCPI Fiscal Year 2004 Appropriation.—$150 million

THE IMPORTANCE OF ADEQUATE, BALANCED RESOURCES FOR GASIFICATION

Going forward the DOE is embarked on an ambitious yet realistic program of gasification-based research, development and demonstration to accelerate the commercial introduction of coalbased IGCC power generation that will reduce emissions and power costs, while increasing use of the nation's coal resources. However, this will require a balanced program that does not short-change either important R&D needs or the CCPI demonstration program. As other new technology demonstration initiatives, such as the FutureGen program, are undertaken they must be adequately funded with additional resources and should not rely on transfers from ongoing R&D programs or the CCPI program, which are critical to the deployment of the technology improvements that will support large scale demonstration and commercialization of IGCC.

PREPARED STATEMENT OF THE GENERAL ELECTRIC POWER SYSTEMS

The following testimony is submitted on behalf of General Electric Power Systems (GE) for the benefit of the Committee during its consideration of the fiscal year 2004 budget requests for the Department of Energy's (DOE) Fossil Energy program.

Continued technology advancements are key to realizing the potential for cleaner, more efficient power generation. In addition, by improving the U.S. technology base, government-private sector programs addressing these challenges will enhance the international competitiveness of U.S. industry. Several important DOE programs deserve the Committee's support.

VISION 21 FUEL CELL/TURBINE HYBRIDS

The fiscal year 2004 budget request for the Vision 21 Hybrids line item within the Distributed Generation/Fuel Cells program contains a significant reduction below the fiscal year 2003 funding level. GE believes that adequate resources should be restored to this program in fiscal year 2004 to support technology development to realize cost competitive planar solid oxide fuel cell (SOFC)/gas turbine (GT) hybrid electric generation systems in the 1 MW to 10 MW size range.

Planar SOFC/turbine hybrid systems have the unique potential to meet the nation's need for clean, high efficiency, cost effective power plants with the ability to use multiple fuels. Fuel cell systems offer significant emissions reductions compared to conventional, combustion based electrical production. In hybrid systems, efficiencies of 65 percent are achievable, well above the current state of the art. These systems also will be able to use fuels of future importance to our nation: hydrogen, coal or biomass derived syngas, as well as natural gas. When fully developed, planar SOFC/GT hybrid systems in the 1MW to 10 MW size range are projected to be cost-competitive with today's electricity generation technologies. Systems of this size will have important applications in meeting dispersed generation needs to overcome congestion on the bulk power grid.

Hybrid fuel cell/turbine systems are fully in line with DOE's views for the power-plant of the future, as seen in both the Department's Vision 21 goals and its recently announced FutureGen program. DOE has described hybrid power modules as a "key enabling technology" for long-term Vision 21 systems. The Department has further noted that these modules are an important element of DOE's carbon management policy. Similarly, DOE's February 2003 description of the FutureGen initiative anticipates that electricity production in the prototype FutureGen plant will involve turbines, fuel cells or hybrid combinations of these technologies.

Hybrid planar SOFC/GT technology development for cost effective systems in the 1 MW to 10MW size range is in its early stages. There are significant technology challenges in both the fuel cell and system design. There will also be unique gas turbine constraints and challenges to be overcome. Early system design, analysis, and modeling are required which will lead to identification of optimum system configurations. Demonstration test programs will then be required to validate component and system design, system integration and manufacturability.

Additional funding in fiscal year 2004 for planar solid oxide fuel cell/gas turbine hybrids will complement and leverage the technology advancements of DOE's Solid-State Energy Conversion Alliance (SECA) program. The SECA program, in which GE is a participant, focuses on continued SOFC technology development and demonstration to improve performance and reduce costs. The technology development being performed under the SECA program forms a solid basis for the hybrid effort. However, development of planar SOFC fuel cells for hybrid power systems requires additional technology development, such as scale-up and pressurized operation, which goes beyond the technical scope of the SECA program.

Successful development of cost effective planar SOFC/turbine hybrid electrical generation systems has significant implications for the United States in terms of reducing fossil fuel consumption, lowering emissions associated with power generation and easing of grid constraints. However, with so much uncertainty in the electricity industry today, industry alone is not in the position to assume the full burden of the technological risks inherent in advancing hybrid fuel cell/gas turbine technologies. The long term time frame for commercial development of this technology and the technical challenges to realize the benefits of cost effective commercial systems will require a collaborative effort between the government (DOE) and private industry.

SECA

GE supports full funding for SECA in the Innovative Systems Concepts line item of the Distributed Generation/Fuel Cells program. As noted above, GE is a participant in the SECA program. SECA is a broad collaboration among industry, government, universities and other research organizations that has as its ultimate objective the development of fuel cells for a variety of uses, which will lead to the significant cost reductions needed for this technology to be deployed widely. GE appreciates the Congress's support for the SECA program in the past, and encourages the

Committee to provide sufficient resources again this year to assure that the important work of this program continues.

HIGH EFFICIENCY ENGINES AND TURBINES

The Administration's fiscal year 2004 request for the High Efficiency Engines and Turbines (HEET) program, within the Central Systems program, should be increased by a total of $11.5 million. This program represents the Department's primary research effort focusing on gas turbines for electricity production. As DOE has explained in its budget submission, "developing advanced turbines with fuel flexibility is critical as many of the advanced, coal-fired power generation technologies currently being developed or demonstrated will incorporate modified gas turbine systems." The importance of this technology requires that adequate resources be available.

GE commends to the Committee's attention the testimony submitted by the Gas Turbine Association relative to the funding needs for HEET. In particular, GE encourages the Committee to increase funding for DOE NETL's Broad Based Financial Assistance solicitation (improving overall performance of turbines in integrated gasification combined cycle (IGCC) applications), to address combustion of hydrogen in turbines, to support the University Turbine Systems Research (UTSR) Program, and to assure that adequate emphasis is placed on reliability, availability and maintainability (RAM).

RAM.—The HEET program needs to continue to support improvements in powerplant asset utilization (RAM) through development of advanced technologies for sensors, diagnostics, and condition monitoring. Continued partnering between government and industry will accelerate the pace of this work and speed the introduction and widespread deployment of new technology in the field. Economic benefits are realized by increasing the operational flexibility of gas turbines to provide more power to the electrical grid during periods of peak demand, reducing the costs associated with unplanned turbine outages, increasing the time between scheduled outages, and reducing emissions under both full and partial load conditions. Advances in asset utilization technology can be moved into the marketplace quickly and applied to the installed base, including current coal based systems, thus enabling the nation to rapidly recognize the benefits of investment in this area.

HEET Program Accomplishments Will Support IGCC Focus.—GE believes that DOE's continued focus, vision and support for IGCC technology is warranted, and we support the fiscal year 2004 funding request for the IGCC program. Recent increases in the price of natural gas once again highlight the need for a robust, fuel-diverse energy infrastructure. Our electricity generation sector needs to continue to utilize abundant and indigenous fuels such as coal and renewables in order to reduce the stress on both natural gas resources and their distribution. IGCC boasts high potential for generating clean power under present and future environmental criteria. It has flexibility to process a wide variety of feedstocks—including coal, petroleum coke and biomass. IGCC is also the base from which low-CO_2 power can grow.

The HEET program will make important contributions towards realizing the full measure of IGCC's potential. GE, as the industry leader in IGCC gas turbine operation, has made significant investment in the development of fuel-flexible combustors and fuel systems. This has expanded the potential application range of gas turbines that are ready to support the broadening of gasification feedstock flexibility. However, to meet the aggressive emission and fuel flexibility goals of the HEET program, new combustion system technologies must be developed.

Widespread commercial adoption of IGCC has been hampered by its high cost and complexity. Superb environmental performance and high efficiency are not, by themselves, sufficient to offset costs in a utility's technology decision process. GE, therefore, urges that all IGCC programs utilize an overall system perspective to identify areas for development that have the highest potential of meeting the challenging technical, cost, operability, and availability goals of the HEET program.

Hydrogen.—Our nation's increasing focus on hydrogen as a future energy source was recently highlighted by the announcement of the President's hydrogen fuel initiative. While it is anticipated that initial demand for hydrogen will be met by natural gas, serious consideration must be given to the future impact on natural gas supplies. Economical sources of hydrogen will be needed to achieve a significant reduction of our reliance on imported oil. With continued escalation of domestic natural gas prices, GE believes that large scale coal-based IGCC could be a significant alternative source for hydrogen production. The synthetic gas produced from gasification combined with current process technologies for removal of carbon can provide

a hydrogen-rich feedstock for either combustion in a gas turbine, chemical production, or use elsewhere in the coming "hydrogen economy."

Funding under the HEET program should be provided for the development of gas turbine combustion technology for use with a high hydrogen fuel stream. GE has experience with gas turbines operating on fuel blends containing hydrogen, and has performed laboratory demonstration tests on high hydrogen content fuel. This experience highlighted the need for development of advanced combustion technology in order to drive down NOx emissions and enable advanced hydrogen generation processes. In addition, current strategies for effective integration of all major subsystems need to be revisited and redefined for use with hydrogen fuel.

The United States has reached a critical point in time where development and demonstration is sorely needed for coal-based hydrogen production processes. DOE's FutureGen program promises to provide a platform to address this need. Technology research and development through the HEET program can serve as an important source of enabling technology for the FutureGen plant. With regard to the FutureGen initiative, GE recommends that the early involvement and participation of the providers of technology as key stakeholders be encouraged and sought.

CLEAN COAL POWER INITIATIVE

GE also supports sustained funding for the Clean Coal Power Initiative. This program should provide a vital opportunity for the demonstration of IGCC technologies that hold the key to the environmentally acceptable use of coal for future power generation. The CCPI offers a unique opportunity to demonstrate these technologies on a commercial scale—a step that is vital to ultimate commercial acceptance of this technology. DOE's budget submission calls for a "more focused" second round solicitation for the CCPI, and we urge that IGCC be a major part of the focus of the CCPI going forward.

CERAMIC MATRIX COMPOSITES

Finally, GE recommends that funding be provided for Ceramic Matrix Composite (CMC) crosscutting technology material development. CMCs offer greater than 2000F capability when compared to current metal plus coating technology. This increased capability provides potential benefits in power output, efficiency, emissions and part life depending on how the material is designed and utilized in product applications. Potential opportunities include both power generation (gas turbines) and industrial process heating (radiant burner) markets. CMCs could thus provide an enabling technology for all of the programs discussed above, as well as the Distributed Energy Resource Program (Industrial Gas Turbines and Microturbines) and Industry Of The Future (IOF) initiatives within the Energy Conservation budget account.

PREPARED STATEMENT OF IBACOS, INC.

IBACOS (Integrated Building And Construction Solutions) urges the Subcommittee on Interior and Related Agencies to provide $16 million for the Department of Energy (DOE) fiscal year 2004 Residential Buildings Program.

IBACOS, through the DOE, has significantly improved the efficiency and livability of U.S. homes

IBACOS is a founding partner in the DOE's Building America Program, which consists of five industry consortiums (teams). IBACOS is made up of more than 30 leading companies from the home building industry, including equipment manufacturers, builders, design firms, and other parties interested in improving the overall quality, affordability, and efficiency of our nation's homes and communities. Although we are located in Pittsburgh, PA, our Network membership is derived from across the country. Our associated building product manufacturers and trade associations include: North American Insulation Manufacturers Association (NAIMA) of Washington, DC; Carrier Corporation of Indianapolis, IN; GE Appliances of Louisville, KY; USG Corporation of Chicago, IL; Owens Corning of Toledo, OH; and Andersen Corporation of Bayport, MN. Our builder partners includes such large builders and developers as Pulte Homes of Bloomfield Hills, MI; RGC of Newport Beach, CA; Civano Development Partners of Tucson, AZ; Beazer Homes of VA; Washington Homes (a division of K. Hovnanian) of VA; and John Laing Homes of Denver, CO. Other builders and developers in CA, CO, GA, IN, NC, NJ, NY, NV, SC, and TX also participate.

Through these and other partners, Building America has had direct influence in increasing the efficiency of nearly 10,000 homes to date. All of these homes use 30

percent less energy than a code compliant home, and many exceed 50 percent in savings.

We have been working with the DOE's Residential Building Program since the start of the Building America Program in 1993. Along with the four other teams, we represent more than 200 residential builders, developers, designers, equipment suppliers, and community planners. All Building America partners have a common interest in improving the energy efficiency and livability of America's housing stock, while minimizing any increase in home costs. Many of the products used actually result in a lower cost, while others experience only marginal increases in first cost and absolute reductions in cash flow. In pursuit of this common interest, the five Building America teams pursue common activities that will ultimately assist all homebuilders and benefit the nations' homebuyers.

Building America teams, such as IBACOS, have the ability to research and develop new technologies and processes, as well as demonstrate and diffuse information throughout the building community

We are working to significantly expand the active team membership of Building America, but, perhaps more importantly, we are finding innovative new ways to increase the energy efficiency of the nation's housing stock, and are encouraging the diffusion of information to hundreds of builders through participation in research partnerships, national conferences, technical committees and the Internet. In fact, in working with Owens Corning, we helped introduce a market based program, System Thinking, in which Owens Corning is applying lessons from Building America to more than 100 builders in all regions of the country. Other Building America teams have had similar success with national programs such as Environments for Living. All of the teams are partnering with the Environmental Protection Agency (EPA)/DOE Energy Star(program.

The DOE helps develop and implement widespread innovation in the fragmented residential construction industry

The new residential construction industry accounts for the production of 1.6 million single family homes per year (over $70 billion in revenue) and approximately 20 percent of total energy use in the United States.

Despite its size and impact, the industry is exceptionally fragmented. It comprises nearly 100,000 builders, many building only a few homes per year, others as many as 35,000. A multitude of residential product manufacturers, architects, trades, and developers further compound the problem of an industry in which it is very difficult to implement widespread technological innovation. Building America acts as an aggregator for identifying and pursuing research needs and consolidating relationships between the industry and National Labs.

Additionally, there has been little incentive for builders to improve on energy efficiency for a number of reasons. First, energy and resource efficiency does not necessarily contribute to the bottom line of the builder; instead, it benefits the homeowner and the nation. Second, because builders cannot directly recoup costs for up front investments through energy savings (since they do not own the homes), they have little reason to spend more initially. Third, adopting new technologies and training staff and trades to properly install new systems and products is costly and problem-ridden. Fourth, builders are not good at sharing knowledge between competitors, so the DOE's role is critical to expanding the practices beyond the first builders in.

For these reasons, we are working to create higher performance, quality homes for no incremental costs, along with associated training, management, and technology transfer methodologies. We believe that because of this work, energy and resource efficiency, durability, and affordability will, eventually, be commonplace in the home building industry.

Because the home building industry is made up of so many differing parties, it is virtually impossible for them to come together to perform common research without a third party.

The DOE plays a critical role in bringing this research, development, and deployment agenda to the marketplace.

Current research activities include:

—systems integration, technology and process research and development to improve energy efficiency
—indoor air quality
—safety, health, and durability of housing
—thermal distribution efficiency
—incorporation of passive and active solar techniques
—techniques that increase builder productivity and product quality

—reduction of material waste at building sites
—use of recycled and recyclable materials
—building materials improvements
—envelope load reduction and durability
—mechanical systems efficiencies and appropriate sizing

The DOE's role in bringing together the right entities and cost sharing common research is invaluable in improving our nation's building stock, while we work to reduce up front builder costs.

Through the DOE, significant energy saving results have been achieved in residential construction, and encouraging research results on systems integration have helped to increase overall energy efficiency

Results of the experience gained by the Building America teams has been reflected in both DOE and HUD roadmapping sessions, development of research priorities for National Labs, and cooperation on programs within DOE/BTS. For example, the Building America Program is working cooperatively with the Windows program at BTS to ensure that advanced window products are incorporated into high efficiency residential housing. The Building America Program is also partnering in the Zero Energy Buildings effort. Additionally, collaborative research activities with the National Labs, including NREL, ORNL, and LBNL have resulted in the sharing of knowledge and resources that bridges the gap between Federal research programs and the industry.

The Residential Buildings Program improves the affordability of homes by reduced energy use, and results in better use of capital and natural resources. The scale of impact is exemplified by the 50 percent savings in the average new home built today-the equivalent of the energy used by a sports utility vehicle for one year. And, the home will have a useful life of 100 years.

Investing in residential construction technology makes economic and market sense. By using improved materials and techniques, the Residential Buildings partners promote wiser use of resources and reduce the amount of waste produced in the construction process. Because of the homes' improved efficiency, emissions from electrical power will be reduced, potentially eliminating 1.4 million tons of carbon from the atmosphere over the next ten years. The DOE's residential programs will also save consumers more than $500 million each year through reduced energy bills. These savings are permanent and significant.

IBACOS supports efforts across the government to integrate activities in the residential building area. This includes work with the Partnership for Advancing Technologies in Housing (PATH), the National Institute of Standards and Technology, the Housing and Urban Development, and the Environmental Protection Agency. We at IBACOS are working with PATH communities as a part of Building America. One of the PATH communities is in Tucson, AZ. IBACOS, through the Building America Program, is working with the developer and builders on a 2,600-home sustainable new town called Civano. Through detailed monitoring, the homes in this community are proving to be at least 50 percent more efficient than comparable homes. Many of these homes are being heated and cooled for less than $1 a day. Other communities in which Building America is serving as a partner with developers, builders, and PATH are Village Green in CA, Summerset at Frick Park in PA, and emerging communities in Denver, CO, North Charleston, SC, and in Florida. Communities are now under construction that will yield upwards of 80,000 units over the next seven years. All of these units will result in savings between 30 percent and 50 percent of their energy cost and serve to create market momentum, influencing many other local builders.

Research results on systems integration are exciting and encouraging. One of the major hurdles in home building has been the issue of assembling the home on the building site in a way that maximizes integration of the various components and equipment within the house. Systems integration results in an airtight house in which subsystems are used together to optimize the home's engineering and otherwise increase the overall energy efficiency of the home.

There have been a number of concrete and encouraging results from research, development and demonstration activities in cooperation with the Federal government. In fact, IBACOS, as a part of the Building America Program, has been able to demonstrate to production builders such as Hedgewood Homes in Atlanta, GA that they can build homes that save more than 30 percent to 50 percent in energy costs while avoiding any increase in initial construction costs. Medallion Homes in Texas markets to first time home builders and offers up to 50 percent reductions in energy; they have had excellent market success. The rapid adoption of new technologies from the National Labs and the industry to the marketplace requires additional

demonstration opportunities. We are pleased to be working with the DOE towards this end.

Additionally, IBACOS has been participating in road mapping processes for residential buildings. We have partnered with the DOE to ensure that renewable energy technologies are incorporated into Building America research and development activities. We feel very strongly that the integration of the systems into a home is as important, or even more important, than the individual pieces of equipment that are installed. We have proven the ability to work with builders to build single pilot homes and support them through early adoption in their production lines.

We look forward to continuing to work with the DOE to research and develop the technology and process necessary to deliver higher performance homes to the U.S. market, as well build markets for more efficient equipment and technologies.

We at IBACOS urge you to provide $16 million for the DOE fiscal year 2004 Residential Buildings Program. Along with the industry cost share in the program of at least 100 percent, this program has had and will continue to significantly catalyze improvements in what has traditionally been a very fragmented industry.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

As Executive Director of the National Association for State Community Services Programs (NASCSP), I am pleased to submit testimony in support of the President's 2004 Budget request of $288.2 million for the Department of Energy's (DOE) Weatherization Assistance Program (WAP) and in support of $74 million for the DOE State Energy Programs (SEP). NASCSP is the member organization representing the states on issues related to the WAP and the Community Services Block Grant. The state offices represented by our organization would like to thank this Committee for its continued support of the WAP and SEP through the years. The $225 million in WAP funds provided by the Committee in 2003 is expected to result in:

—An additional 93,750 homes occupied by low-income families will receive energy efficiency services, thereby reducing the energy use and associated energy bills; and

—Greenhouse gases and environmental pollutants will be significantly reduced due to the decrease in energy use by these newly weatherized homes; and

—Nearly 16,000 full time, highly skilled, jobs being supported within the service delivery network and in related manufacturing and supplier businesses;

The WAP is the largest residential energy conservation program in the nation and serves a vital function in helping low-income families reduce their energy use. Developed as a pilot project in 1975, the WAP was institutionalized in 1979 within DOE and is operated in all 50 states, the District of Columbia, and on several Native American reservations. The funds are used to improve the energy efficiency of low-income dwellings using the most advanced technologies and testing protocols available in the housing industry. The energy conservation resulting from the efforts helps our country reduce its dependency on foreign oil and decreases the cost of energy for families in need. With lower energy bills, these families can increase their usable income and buy other essentials like food, shelter, clothing, medicine, and health care.

The WAP provides an energy audit for each home to identify the most cost-effective measures, which typically include adding insulation, reducing air infiltration, servicing the heating and cooling systems, and providing health and safety diagnostic services. For every dollar spent, the WAP returns $1.80 in energy savings over the life of the weatherized home, based on the Energy Information Administration's long-term energy prices outlook. Since the program's inception, more than 5,000,000 homes have been weatherized using federal, state, utility and other monies.

As we all know, these are troubling times facing our nation—war, budget deficits, homeland security needs, and a slowed economic recovery. These times create added financial burdens for all Americans, but especially for those who live at or below the poverty line. Low-income families have always spent a disproportionate share of their income for energy needs than their middle-income counterparts. For example, a typical middle class family pays about 3 to 7 percent of their annual income for energy costs (heat, lights, air conditioning, appliances and hot water). Low-income families pay nearly the same dollar amount each year for energy but this amount represents a significantly higher percentage of their total household income (14 to 20 percent). In times of energy shortages and escalating energy costs, the energy burden for these families can reach 25 to 40 percent or more of their available income.

When energy costs rise, like they have during the 2002–03 heating season, even a nominal increase can have a dramatic negative impact on low-income families. The expected increase in this year's energy costs may amount to an additional $200 for most families. For middle-income families, this increase will amount to less than one quarter of one percent of the total household income. For many low-income families; however, a $200 increase will result in a 3 to 5 percent increase and will require families to go without other important essentials like food, medicine, or clothing to meet this higher financial demand.

These families need long-term solutions to help them reduce their energy use both now and in the future—resulting in lower energy bills. That is the primary mission of the Weatherization Assistance Program—"To reduce heating and cooling costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety."

The Oak Ridge National Laboratory report entitled State Level Evaluations of the Weatherization Program in 1990–1996: A Meta-evaluation That Estimates National Savings found that the WAP significantly improved its energy savings results during those years. In 1996, the Program showed savings of 33.5 percent of gas used for space heating—up from 18.3 percent savings in 1989. The increase in savings was based in large part on the introduction and use of more sophisticated diagnostic tools and audits. Families receiving weatherization services can reduce their heating energy use by an average of 22 percent, making the cost for heating their homes more affordable. The Evaluation report also concluded that the WAP possessed a favorable cost-benefit ratio of 2.40 to 1.0. Simply stated, the federal funds provided to support the Program have a 140 percent return on investment, or nearly $2.50 in benefits for every dollar invested. By reducing overall energy use, families can realize average savings of $250 or more each year, thereby helping families move closer to economic self-sufficiency.

In addition to direct energy savings from the work performed in the Program, the WAP also returns non-energy benefits. In a recent report published by Oak Ridge National Laboratory entitled Non Energy Benefits from the Weatherization Assistance Program: A Summary of Findings from the Recent Literature, it was reported that the WAP creates quantifiable benefits in several categories including: increased property value, reduced incidence of fire, reduced arrearages, federal taxes generated from employment, income generated from indirect employment, avoided costs of unemployment benefits, environmental externalities. Taken together, for every $1 invested in the program, Weatherization returns $3.66 in energy and non-energy impacts.

The WAP has always served as a testing ground and provides a fertile field for the deployment of research conducted by national laboratories. For example, the Oak Ridge National Laboratory developed the National Energy Audit (NEAT) for use by local agencies in assessing cost effectiveness of service delivery. Oak Ridge is currently investigating the cost effectiveness of including certain base load measures (water heater replacement, lighting, motor efficiency) into the Program and continues to test other protocols and material installation techniques to help state and local agencies improve their field operations. The Florida Solar Energy Center and the state of Hawaii are working on the development of cost effective solar hot water heaters. The State of New York, working in concert with the local utility companies and the State Energy Research Development Authority, has implemented a refrigerator replacement program to test the impact of providing base-load services to conserve energy and reduce costs.

One of the major outcomes of WAP field deployment is that the private sector eventually adopts these technologies. This pattern has been established through several advancements including blower door-directed air infiltration, duct system testing and sealing, furnace efficiency standards, and insulation and ventilation protocols. The acceptance of these standards and protocols by the private sector is enormously important as builders attempt to construct new properties or rehabilitate existing ones using a renewed energy efficiency philosophy.

Of equal importance to the technological and programmatic foundation are the WAP contributions in achieving overall national energy policies and social strategies. Some examples of how the Program helps achieve these goals include:

—Reducing harmful green house gas through reduced CO_2 emissions by avoiding energy production. Each time a house is weatherized, the reduction in energy needs reduces the environmental impact associated with creating that energy reduction of sulfur dioxide, carbon, and other pollutants spilled into the atmosphere from the burning of fossil fuels like oil, coal, kerosene, wood, gas, and propane.

—Increasing jobs in communities throughout the country. For every $1 million invested in the WAP, more than 51 full time jobs are created and supported in the states. Another 20 jobs are created in companies who provide goods and services to the Program. With the $288.2 million requested in the President's budget, nearly 20,000 full-time, above minimum wage jobs are created and supported in local communities and in related service and material industries.

—Investing money into communities through job creation, local purchasing of goods and services, and tax revenues. These investments result in many secondary benefits. These residual benefits, known as "economic benefit multipliers," are applied to local community investment to value the real worth of money used locally. This multiplier is 3.5 to 4 times the actual investment. This means that an investment of $288.2 million in the WAP could yield nearly $1.2 billion in economic benefits to local communities.

—Reducing consumption of imported fuels by reducing residential energy consumption. Our country currently imports nearly 60 percent of its oil from foreign countries. This figure is higher than the import percentage in the 1970s, when the oil embargo threatened our ability to operate as a nation. The conservation efforts of the WAP network will help reduce our country's dependency on foreign oil, thereby strengthening our country's national security.

In 2001, the Administration earmarked the WAP as a "Presidential Priority" in its National Energy Policy Plan. President Bush committed $1.4 billion to be added to WAP over a ten-year period to help thousands of low-income families meet their energy needs while reducing their energy burden. Each year since then, the Administration has asked for higher appropriations levels in their budgets submitted to Congress. In response to these higher budget requests, this Committee did vote to increase the WAP in 2002 to $230 million—$40 million less than the President's request but an increase over 2001 levels. In 2003, the President requested $277.1 million for this Program and your Committee passed a bill that funded the WAP at $240 million. Unfortunately, the Omnibus Reconciliation Act of 2003 ended with a cut of $5 million for the Program from the 2002 level of $230 million (far below the President's request). Again in 2004, the President, in keeping with his commitment to WAP as a "priority" within his energy strategy, has asked Congress to appropriate $288.2 million for the Program. Our organization strongly supports the President's request and would respectfully request this Committee to provide the funding at the budget request level of $288.2 million to meet the President's priority for WAP.

NASCSP is also concerned about the low level of funding proposed for the State Energy Programs (SEP) in 2004. SEP enjoys a broad constituency, supporting state energy efficiency programs that include energy generation, fuels diversity, energy use in economic development, and promoting more efficient uses of traditional energy resources. SEP funding has fallen steadily from a recent high in 1995 of $53 million to its fiscal year 2003 level of $45 million. The President's fiscal year 2004 request is a further cut to $38 million. The state energy offices are the crucial centers for organizing energy emergency preparedness. They have been asked to do much new work in the sensitive area of infrastructure security. Taking into consideration this growing burden, the increasing difficulty of managing energy resources, together with increasing opportunities for states to implement cost-saving, efficiency-enhancing measures, we are supporting their request of $74 million for fiscal year 2004. This level would restore the program's recent funding cuts, enhance their ability to address energy emergency preparedness, and allow for inflationary impacts since 1995.

By the evidence provided herein, this Committee can be assured that the increase in WAP and SEP funding will provide essential services to thousands of low-income families, resulting in greater energy savings, more economic investments, increased leveraging of other funds, and less reliance on high-cost, foreign oil—outcomes that will benefit the nation. NASCSP looks forward to working with Committee members in the future as we attempt to create energy self-sufficiency for millions of American families through these invaluable national programs.

PREPARED STATEMENT OF THE NATIONAL ASSOCIATION OF STATE ENERGY OFFICIALS

Mr. Chairman and members of the Subcommittee, NASEO submits this testimony in support of funding for a variety of U.S. Department of Energy programs. Specifically, we are testifying in support of no less than $362.2 million in funding for the State Grant programs, including, the State Energy Program (SEP) ($74 million) and the Weatherization Assistance Program (WAP) ($288.2 million). This figure moves in the direction of President Bush's promise included in his campaign issue paper

to double the Weatherization Assistance Program and the State Energy Program. This campaign promise would provide $76 million for SEP and $306 million for WAP. We also support an important program which has been a dramatic success, the State Energy Programs Special Projects (SEP Special Projects) account, which should receive at least level funding of $19 million. SEP Special Projects has set a standard for state-federal cooperation and matching funds to achieve critical federal and state energy goals. These programs are successful and have a strong record of delivering savings to low-income Americans, homeowners, businesses, and industry. We also support an increase of $600,000 for the Energy Information Administration's State Heating Oil and Propane Program in order to cover the added costs of doubling the frequency of information collection (to weekly), the addition of natural gas, and increasing the number of state participants. Generally, EIA funding is a critical piece of energy emergency preparedness and response. NASEO continues to support at least level funding for a variety of critical deployment programs, including Rebuild America, Energy Star, NICE3 and Industries of the Future. Proposed cuts in these programs are counter-productive and are detrimental to a balanced national energy policy. The states also strongly support increased funding for the State Technology Advancement Collaborative (STAC). The fiscal year 2003 conference report allocated $3 million for State Cooperative R, D, D&D initiatives and $5 million from the science initiative for this effort. We are moving forward as quickly as possible to implement this directive of the Subcommittee. It is a new area of cooperation. Our hope is that it will speed procurement sand dramatically improve multi-state/federal cooperation and coordination.

Over the last year, both oil and gas prices have been rising in response to international events as well as very low domestic inventories. Even in the absence of the international situation, the United States may very well find itself in the grips of an energy crisis as summer approaches. In addition, we now have quantifiable evidence of the success of the SEP program, which we did not have in years past, which demonstrates the unparalleled savings and return on investment to the federal taxpayer of SEP.

In January 2003, Oak Ridge National Laboratory (ORNL) completed a study and concluded: "The impressive savings and emissions reductions numbers, ratios of savings to funding, and payback periods . . . indicate that the State Energy Program is operating effectively and is having a substantial positive impact on the nation's energy situation."

The ORNL study found that $1 in SEP funding yields:

—$7.23 in annual energy cost savings

—1.17 million source MMBTUs saved

—$3.54 in leveraged funding from the states and private sector

—Annual energy savings of 41,358,478 BTUs

—Annual cost savings of $256,422,600

The annual cost-effective emissions reductions associated with the energy savings are equally significant: (1) Carbon—719,251.8 metric tons; (2) VOCs—127.2 metric tons; (3) NO_X—5,739 metric tons; (4) PM10—144.8 metric tons; (5) SO_2—7,655.7 metric tons; and (6) CO—968.7 metric tons

It is important to note that the actual program benefits are even greater since the ORNL study quantifies the benefits of only 14 SEP program areas, representing about 60 percent of SEP funding. This means that the savings above are calculated on 100 percent of SEP funding but include only 60 percent of the results. Results not quantified include clean energy production activities such as demonstration of alternative fuels, development of wind energy resources, and geothermal activities. In addition, essential energy emergency preparedness and response activities are not quantified by the ORNL study (since the study focused only on energy efficiency activities).

EXAMPLES OF RECENT SEP-FUNDED ACTIVITIES

North Dakota

The North Dakota Energy Office has been at the forefront of a sustained effort to explore the economic viability of wind energy and to promote its development. The office has utilized State Energy Program ("SEP") funding and other funds to forge several partnerships that have resulted in a high level of wind energy activity in the state, as well as other important state-based clean energy activities.

The North Dakota Energy Office initiated a comprehensive, utility-sponsored statewide resource assessment of wind involving all seven of North Dakota's generation and transmission utilities. The office worked with local development corporations, DOE's Wind Powering America program, the Energy and Environmental Research Center in Grand Forks, North Dakota, and several others to create one of

the best ongoing wind resource assessment programs in the country. In addition, the office is active in statewide landowner meetings in partnership with the grassroots organization ND SEED (Sustainable Energy for Economic Development) and EAPC Engineers/Architects of Grand Forks, along with other information dissemination efforts. Wind energy integration studies are ongoing.

Wind energy is an important new industry to North Dakota. The state has a turbine blade manufacturer in Grand Forks, ND, a tower manufacturer in West Fargo, ND, and related engineering, development, and construction businesses, employing hundreds of people. With recent installations and announcements by Minnkota Power Cooperative, Montana-Dakota Utilities, and Basin Electric Power Cooperative, North Dakota will move from an installed capacity of .35 MW of wind generation to over 65 MW by the end of 2004, with more on the horizon.

New Mexico

The New Mexico Energy Office Wind Energy Program is making great strides in preparing the way for large-scale wind development. The SEP-supported program has completed an essential wind resource assessment and monitoring effort, which will aid industry in determining the feasibility and best locations for wind development. To date, six sites have been selected for intense monitoring and all appear to have significant commercial potential. In addition, the energy office has conducted necessary economic impact studies and other research that lays the groundwork for the private sector to commit substantial capital and add fuel diversity to the state's 99 percent fossil-fired generation fleet. The total $400,000 in SEP funds will garner nearly $90 million in state incentives for wind projects, and the state reports that over 200 MW of wind capacity is scheduled to go line by end of 2003. In addition, the success and data collected to date have been essential in aiding state decision makers as they considered a renewable portfolio standard, which will be effective later in 2003, with a goal of 10 percent renewable generation by 2011.

Montana

The Montana Energy Office completed a demonstration of biodiesel fuel in Yellowstone National Park in December 2002. The project addresses the problem of air pollution caused by millions of tourists who visit the park every year. Biodiesel is produced in Montana from rapeseed oil (ethyl esters) or potato residues generated by the food processing industry. The project documents performance and emissions reductions using EPA protocols from operating a conventional diesel engine on 100 percent biodiesel. The truck operated normally for 121,000 miles and started well in cold weather. In fact, the only time it failed to start during the experiment was when the temperature was $-37°$ on a day when many other vehicles also failed to start. Among other findings, the sweet odor of the exhaust did not attract bears, which was a concern for park rangers at the beginning of the experiment.

Washington

The Washington Energy Office established a telework program with funding from SEP a number of years ago. The program has grown more successful each year, with increasing private-sector cost share and the expansion of the program to Oregon, Arizona, and Texas. The program reduces vehicle miles traveled, saves energy, improves air quality, reduces traffic congestion, and enhances job opportunities. Following the events of 9/11/01, the states were able to use telework as a foundation for emergency management plans. The SEP-supported telework program has leveraged more than $1 million in funds to create a comprehensive package of telework tools including guidebooks, training kits, on-line training, case studies, and web sites. The program has aided organizations in 46 states and 12 countries in establishing programs. And the U.S. Office of Personnel Management lists Telework Collaborative training materials on its telework web site as suggested resources for Federal agencies. The multi-state results are impressive: State agency teleworkers in OR, WA, AZ, and TX drive 8.5 million fewer miles, saving 283,000 gallons of gasoline. (Note that substantially more savings are achieved by the program's private sector participants.) State agency teleworkers in OR, WA, AZ, and TX reduce 2,300 tons CO_2 annually.

Florida

The Florida Energy Office's Sensible Sustainable Technology Program promotes the use of alternative fuels and renewable energy technologies and reduces fossil fuel environmental impacts. The program demonstrates sensible sustainable technologies at schools, government buildings and state recreation facilities. These technologies include, for example, daylighting, geothermal heat pumps, solar dehumidification and solar security and street lighting. The results to date include energy savings of: (1) Daytime lighting loads—640,360 BTUs per lumen; (2)

Dehumidification loads—642,940 BTUs per operating hour; (3) Combined savings from all projects reduced average Energy Users Index 31,977 BTUs per square foot per year—$739,681; and (4) Fossil fuel savings—5,424 barrels of oil or 1,379 tons of coal. Emissions reductions have been 9,250,949 pounds of power plant emissions. The projects have also saved 6,405,386 gallons of water.

Tennessee

The Tennessee Energy Office's SEP—Energy Smart Schools activity reduces the energy dollars spent by schools and showcases the economic benefits of energy efficiency to school systems throughout Tennessee. The energy office assists schools with energy efficiency lighting retrofits, and aided in the delivery of $500,000 worth of lighting improvements in 12 schools in Fayette County. Energy savings have been 1,687,930 kWh annually with annual cost savings of $108,000. The Project's lifetime economic benefit is $3,766,761—or $7.53 for each $1.00 expended under the project.

Pennsylvania

The Pennsylvania Energy Office used SEP to aid in implementing the Philadelphia Livable Neighborhood Project. The project empowers individuals to save energy by adopting environmentally sustainable practices, and worked with 50 EcoTeams (250 households) in low income, urban neighborhoods to achieve energy reductions through energy efficiency and conservation. The project resulted in the following energy savings: (1) Energy use reduced by 9 percent; (2) transportation fuel use reduced by 13 percent; (3) Per household—14,611,472 fewer BTUs used for transportation; (4) 117 gallons less transportation fuel used per household—equivalent to 105.2 gallons distillate #2 fuel oil; and (5) each of 91 households saved $195—Combined $17,745. Emissions reductions of CO_2 has been 3,711 pounds. Funds leveraged include: (1) $30K SEP funds; (2) $100K City of Philadelphia; and (3) $63K PA Department of Environmental Protection, Growing Greener. Other savings included garbage reduced by 34 percent and water use reduced by 27 percent and neighborhood revitalization should lead to business development.

Ohio

The Ohio Energy Office's Residential Batch Test Protocol program evaluates the energy efficiency of homes built to the ENERGYSTAR standard—key to ensuring the actual delivery of savings to homeowners. The testing supported by the program examined the feasibility of a sampling approach verifying that homes meet the ENERGYSTAR standard rather than more costly mass inspections. This important pilot addresses the need for large production builders to find a cost-effective means of assessing the efficiency performance of the ENERGY STAR homes they construct. The resulting homes, built to standard and affirmed by the batch test method, will deliver Ohioans an estimated total annual savings of over 3,670 million BTUs and savings to the homeowners that will exceed $7.5 million.

Texas

The Texas Energy Office's Loan Star program has long produced great success by reducing building energy consumption and taxpayers' energy costs through efficient operation of public buildings. For example, a recently announced energy efficiency loan to the El Paso Independent School District will save more than $60,000 per year in energy costs. The loan is in the amount of $444,075 and will be used to install high-efficiency lighting in schools throughout the district. The loan will pay for itself in about seven years, and El Paso will reap the savings from the lighting for many years thereafter.

Since its inception in 1989, the Texas' program has distributed more than $163 million in loans to 142 public institutions. So far, the Texas Energy Office estimates that the program has saved Texas more than $123 million in energy costs, and savings grow every year. Over the next 20 years, Texas estimates that the program will save taxpayers $500 million. The Texas Comptroller said of the program, "Energy conservation programs like LoanSTAR are important economic tools for Texans. When we encourage the efficient use of energy, we save tax dollars and help preserve our natural resources."

New York

The New York State Energy Research and Development Authority's (NYSERDA) Flex Tech program continues to succeed by encouraging energy efficiency in commercial and industrial sectors, by providing cost-shared and objective engineering assistance to increase energy efficiency and productivity. With $750,000 per year of SEP funds the program provides technical information on energy improvements and implementation of energy efficiency. The SEP-funded portion saves 70,000 barrels of oil equivalent per year, and the entire program saves the following: (1) 20,000

mWh of electricity per year = electricity use of more than 3,300 households; (2) 5,000 kW peak load reduction per year = ~one-third cost of NGCC plant; (3) 200,000 MMBtu of natural gas per year = 195 million cubic feet; and (4) 200,000 MMBtu of oil per year = 34,500 barrels of crude oil. Emissions reductions include: (1) CO_2~ 30,000 tons per year; (2) NO_X ~40 tons per year; and (3) SO_2 ~80 tons per year. SEP funds leverage $14 million in capital improvements, $4 million per year of energy and operational savings and creates 130 jobs.

CALIFORNIA

The California Energy Commission, Building Energy Code Training initiative uses SEP and other funds to save energy through energy code training for large production builders, and improves compliance with California's Residential Building Energy Efficiency Standards (Title 24)—with the cooperation and support of California's homebuilders. The public-private partnership program provides training in quality energy-related construction practices (insulation, space conditioning, plumbing, etc.) To date, more than 400 builder companies and 3,000 builder and local building department staff have participated. Before the program was implemented, new homes complied with the standards only 15 percent of the time. Following training, participating builders were in compliance 77 percent of the time. The result is 125,000 new homeowners have directly benefited in the builder-supported program. Results include energy savings of: (1) more than 69 trillion Btus annually in energy efficiency or $600,000,000 in reduced electricity use, equivalent to nearly 1.7 million households; (2) over 6 years: 388 trillion Btus or $3.3 billion annually for life of homes = electricity use of nearly 9.5 million households; (3) annual consumer savings over 150 percent of one-time training costs; and (4) total savings = production of 2 "peaker" power plants. Emissions reductions include: (1) CO_2—101,196 pounds; (2) $-SO_2$—7,197 pounds; and (3) NO_X—7,833 pounds.

CONCLUSION

In conclusion we would like to remind the Subcommittee of the successes that State Energy Offices deliver to the taxpayer in spite of the relatively small federal investment in the program. This modest federal investment, through the State Energy Program, is the type of success that state-federal energy partnerships can deliver. The states' success is based upon our ability to directly meet the needs of taxpayers, small business people, farmers, and industry. We are asking for $74 million in funding for SEP for fiscal year 2004; a small price to pay for success. As Congress and the Administration consider the development of a new energy policy, we understand the need to prioritize funding. We need to achieve a balance between demand side and supply side resources. The programs we discuss today can help us address our energy problems, both in the near-term and the long-term.

PREPARED STATEMENT OF THE NATIONAL MINING ASSOCIATION

The National Mining Association's (NMA) member companies account for approximately three-fourths of the coal production in the United States, over one billion tons annually, and the vast majority of mined minerals including iron ore, copper, gold, silver, uranium lead, zinc, and phosphate. The purpose of this statement is to present the mining industry's views on fiscal year 2004 programs for the following agencies: Office of Fossil Energy, Office of Energy Efficiency and Renewable Energy, Energy Information Administration, and the U.S. Geological Survey.

OFFICE OF FOSSIL ENERGY

National Mining Association strongly supports the Future Gen project recently announced by Secretary of Energy Abraham. The integration of coal gasification technology, combined cycle electricity generation, hydrogen production and carbon sequestration is an important step for our nation's energy future. Over the long term, domestic coal can continue to provide the basis for affordable electricity and become the basis for affordable hydrogen to use in transportation and other uses. When coupled with carbon sequestration, America can move rapidly toward energy independence with near zero to zero emissions. Although the Department of Energy's (DOE) fiscal year 2004 budget does not specifically incorporate this project we understand that DOE will use unspent dollars from the Clean Coal program to help with start up costs. NMA supports reprogramming these unspent dollars in this way, but oppose taking dollars that are already budgeted for important ongoing research for this program. The results of much of the ongoing research in all the coal programs will ultimately be used as part of the Future Gen project and should not

be shortchanged now. As announced, Future Gen will require funding participation from the public and private sector. NMA members are currently evaluating opportunities to participate in a core group of industrial interests that will help fund the private-sector share of the project.

NMA supports the DOE Clean Coal Power Initiative's (CCPI) requested level funding of $130 million to continue with the government-industry partnerships that demonstrate innovations to allow coal-fueled power plants to operate more efficiently and with improved environmental performance. We understand that this will be combined with funding from the fiscal year 2005 budget into a solicitation so that larger projects can be undertaken.

The Clean Coal Technology Program (CCTP) has been one of the most successful cooperative research, development and demonstration efforts between the government and industry, due in large part to Congress providing it with advanced funding. This financial commitment gave lending institutions and industry the confidence to move forward with high-risk, innovative projects. The same "up front" commitment should be considered for the 10-year, $2 billion, CCPI in order to assure that the results of the clean coal programs contribute to our nation's energy and economic security in a timely and effective manner.

At the same time, ongoing R&D activities must be maintained and expanded to support the greater use of coal while addressing the new SO_2, NO_X and mercury standards proposed under the Clear Skies Initiative. If funding for central system research and for the fuels program is reduced, as proposed by the DOE budget, it will be more difficult for these technologies to be developed in the time frame required. Many of these programs will be used to support Future Gen. We support the overall increase in funds for the total coal program (an increase over fiscal year 2003 levels) but note that the request is still below fiscal year 2002 spending levels. We urge the Congress to increase the budget to fiscal year 2002 levels with the increase designated for the central systems and fuels programs.

In particular, NMA supports the increase in research funds allocated to the Integrated Gasification Combined Cycle program. We understand that much of this increase is due to the fact that the dollars previously dedicated to research on Pressurized Fluidized Bed Combustion have been transferred to this account. We would support an additional increase to this account so that there are sufficient funds to cover technology development in both areas. NMA recommends that the funding for turbine research be increased from the proposed $13 million to at least $20 million. The current budget request is enough to maintain existing research, but is insufficient to begin new research in this area that is important to coal and all fuels.

Vision 21 looks to the future where highly efficient power plants will continue to use coal and other fossil fuels to provide Americans with low-cost electricity and other products. This program is important to support the President's long term hydrogen initiative. Vision 21 will build on and incorporate many of the technologies developed in the original Clean Coal Technology program as well as the Clean Coal Power Initiative. The work that DOE is proposing for fiscal year 2004 is critical if Vision 21 technologies are to be demonstrated by 2015. NMA supports funding at, or above, the requests for Vision 21.

Carbon Capture and Sequestration technologies promise to offer an alternative to emitting carbon dioxide to the atmosphere. They are also an important part of the President's Future Gen initiative. Most of these projects will be a longer term, but research must begin now. NMA supports the request for an increase in carbon capture and sequestration funding to $62 million as a vital part of any climate change initiative.

Coal Research and Development, Fuels Research.—It is important to continue funding for coal preparation and liquefaction technologies as advanced coal preparation technologies promise to reduce the cost of continued use of coal in traditional applications in large industrial and electric utility boilers. It is important to continue the industry cost-shared research work on technologies for manufacturing advanced carbon-based products. Research in the areas of advanced technologies for solid-solid and solid-liquid separations directed toward fuel production and use is equally important. The funding for the entire solid fuels program has been reduced to $5 million with support for solid-liquid separations eliminated entirely. NMA supports restoring $4.0 million for advanced separation research and increasing the entire solid fuels budget to $15 million.

NMA supports continued funding of the Steubenville Comprehensive Air Monitoring Program (SCAMP) to develop information essential for defining the relationship between fine particulate matter (PM) concentrations in ambient air and the fine PM concentrations to which individuals are exposed. SCAMP is co-funded by the Department of Energy, the Ohio Coal Development Office, the National Mining

Association, the American Petroleum Institute, the Electric Power Research Institute, the American Iron and Steel Institute, and CONSOL Inc.

University Research.—The DOE should continue to provide strong support for research on mining at the academic institutions. We are very pleased to see an increase in direct funding for University coal research that will nearly double the fiscal year 2002 spending levels. Mining engineering departments continue to consolidate and some are closing, due to lack of funding. Thus, diminishing the national capability to develop fundamental sciences to improve mining practices, and impairing the ability of the universities to train future generations of mining engineers. The $5 million requested for University research, with the increase dedicated to projects that focus on mercury control technologies, is important to support our educational system.

OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY

The Mining Industry of the Future Program.—The 58 percent funding reduction proposed by the Administration's budget must be rejected and funding levels restored to at least the $5.6 million dollar level appropriated for fiscal year 2003. The proposed cut to $2.35 million would mean that several of the projects already underway would have to be halted in mid-stream. No new research projects starts would be possible. The research priorities developed through this industry/government partnership offer important direction to the Department of Energy, industry and Congress for a sustainable mining industry in the 21st Century. Response to the program has been overwhelming. Since the program was begun in 1999, 132 proposals totaling nearly $150 million have been received—at 50 percent, DOE's cost share would be nearly $75 million. Clearly there is a need for mining research that is not being satisfied as only a portion of these projects could be funded. Of the total projects started to date, industry's cost share is just over 55 percent, or about $36 million.

In early 2003 five new processing projects led by universities and industry were selected from 21 new proposals, bringing the total active projects funded to date to 33. Of these, 10 have been concluded or will be completed this summer. As these projects wrap-up, the program had hoped to get several other R&D-related activities underway. A mining and exploration solicitation was issued early in 2003, with the goal of selecting new projects by the end of the year. We expect that many of the proposals will be in the area of mine safety. If the proposed cuts stand, this solicitation can not go forward.

NMA has incorporated the Mining Industry of the Future program into its Mining Climate Action Plan (MICAP) developed in response to the Administration's request to industry to voluntarily reduce greenhouse gas emissions. The proposed cuts would jeopardize the NMA's efforts in this climate plan.

ENERGY INFORMATION ADMINISTRATION (EIA)

In addition to its value to the nation, the functions performed by the EIA are of significant importance to the mining industry. EIA's unbiased analysis and independent short and long-term forecasts form a basis for reasoned and responsible policy decisions by the Congress, the DOE and other government agencies on both the Federal and State levels. EIA's independence and objectivity are especially important as governments develop policies to respond to energy price increases and/or to possible energy shortages. EIA's energy data collection and dissemination responsibilities are essential to industry's ability to evaluate production and market trends and to make investment decisions that accrue benefit to the nation.

Unfortunately, the quality, consistency and timeliness of the underlying data collected and published by EIA—data that provides the basis for both industry market analysis and for public policy decisions—was bad last year and continues to deteriorate in terms of quality, completeness and accuracy. Although the EIA has made significant strides in improving their data on coal production, the data on the vital electric utility sector continues to be late, incomplete and nearly unusable. Consistency in data collection—even on a month-to-month basis—is nonexistent. There is no consistency in reporting data. For example, the Monthly Energy Review has two completely different and seemingly unrelated sets of numbers for coal consumption and stocks at utilities. EIA should put the matter of the electric utility data base at the top of its priority list. Unfortunately the nation is considering a national energy strategy and new environmental policies on the basis of this flawed data. While we support the current funding levels suggested for EIA, and would certainly support an increase, we would urge that the Committee again include directions to the EIA to take immediate steps to improve the quality of the data collected and pub-

lished. Sound public policy cannot be made if the underlying information used is faulty.

U.S. GEOLOGICAL SURVEY (USGS)

The USGS's role in mineral information exploration, identification of geological hazards and mapping offers important support to the mining industry. NMA supports maintaining these programs at current or expanded levels. In addition, the USGS is the only source for most of the United States' statistical data on mining and minerals commodities. This information provides the basis for informed policy decisions by government and is extensively used by other government agencies, by Members of Congress and by State and local governments, as well as industry, academia and nongovernmental organizations. NMA opposes the proposed $8.1 million reduction of funding for the Mineral Resource Program in the fiscal year 2004 budget request. It is already difficult to maintain the data quality and timeliness that is so important—not just to the industry for market analysis purpose—but to the Administration and the Congress when developing and implementing public policy. Our nation is becoming more dependent upon foreign sources to meet our metals and minerals requirements as exploration and development of domestic resources is declining. Development of a National Minerals Policy to halt and reverse this trend is vital to our nation's economic future and strategic defense. The information collected and made available by the USGS will become all the more important in future years as Congress begins to consider elements of a National Minerals Policy. It is important that it be maintained at least at current levels.

PREPARED STATEMENT OF THE NATIONAL RESEARCH CENTER FOR COAL AND ENERGY, WEST VIRGINIA UNIVERSITY

Chairman Burns, Ranking Member Dorgan, and Members of the Subcommittee: We appreciate the opportunity to offer testimony regarding the programs of the Office of Fossil Energy and the Office of Energy Efficiency in the Department of Energy. We recommend continued strong support for coal programs and restored funding for critical elements of the Fossil Energy and Energy Efficiency programs which were reduced in the budget proposal advanced by the Administration. Comments on specific programs are offered below.

FOSSIL ENERGY PROGRAMS

From an overall perspective, we believe that funding recommended for fossil energy research and development is far below the amount needed to implement technologies which meet our energy needs, are environmentally friendly, and promote our energy security. We urge the Subcommittee to find additional funds to support the overall program at levels at least as high as the Subcommittee approved for fiscal year 2002.

Clean Coal Power Initiative.—Funding for the Clean Coal Power Initiative needs to be in excess of $150 million if we are to achieve the Administration's ten year goal of providing $2 billion in support of demonstrating clean coal technologies. Reducing the fiscal year 2004 appropriation by $20 million compared to fiscal year 2003 because of unspent funds remaining from previous years is detrimental to the objectives of this program. Significant investments are made by power companies to propose projects which place them at high risk should out-year funds not be available. We need to know that continued funding would be assured and that funds are available in each competition to accommodate the large-scale projects necessary to prove new clean coal technology at commercial scales.

Fuels Program.—Funding for the fuels research program in fiscal year 2004 has been allocated exclusively to initiate programs for hydrogen production from coal. While we applaud the initiation of the hydrogen program, we are deeply concerned regarding the proposed cuts for research directed toward liquid transportation fuels from coal. With automobiles numbering in excess of 200 million and large fleets of trucks, aircraft, and marine vessels, we continue to need advanced research to develop clean burning fuels for the private, commercial, and military transportation sectors. In addition to environmentally friendly fuels, we also must increase our energy security and decrease our dependence on imported petroleum products. Continued funding is also recommended for solid fuels and feedstocks research to improve the quality of coal products while reducing the environmental impacts of their extraction and use.

We make the following requests regarding programs in transportation fuels and chemicals currently being supported by the Subcommittee:

—Early Entrance Co-Production Program: Funding for the EECP program should be continued at a level of $3 million in fiscal year 2004 to complete research initiated on the WMPI and Texaco projects.

—Work in Ultra Clean fuels should be continued to complete projects such as the ICRC/Syntroleum program. This program involves developing a small-footprint gas-to-liquids plant with demonstrations in Alaska and Washington, D.C. An additional investment of $4 million is requested to complete this project and harvest the benefits from the $19 million in federal funds invested thus far and which were also matched by a similar investment from the private sector.

—Funding should be restored to continue the C–1Chemistry program in fiscal year 2004 at the current level of $2 million. Additional funding of $2 million is recommended to initiate advanced research into liquid fuels for military applications.

—Under the China-United States Bilateral Agreement, we have an opportunity to study the design, construction, operation, and environmental and economic impacts of a large coal-based liquid fuels production facility. We recommend the addition of $0.5 million to the international component of the Fossil Energy program to conduct this study. The plant operators in China will provide significant cost sharing with additional cost sharing from the United States side.

We note that the FutureGen project proposed by the Administration has the essential elements to produce liquid fuels, not just hydrogen, and urge the Subcommittee to recommend that DOE focus on liquid fuels production along with demonstrating advanced coal gasification, hydrogen production and carbon sequestration technologies under this initiative. We further recommend that Fossil Energy be encouraged to develop coal-based programs funded under the Department of Defense to address the needs of the military for advanced fuels which meet logistical requirements.

We make the following requests regarding programs in solid fuels and feedstocks currently being supported by the Subcommittee:

—Funding for the Center for Advanced Separations Technology [CAST] should be increased to $4 million to meet mortgages for the current program of research supported by the National Energy Technology Laboratory. According to the 2002 Mineral Commodity Summary, the mining industry contributes 5.6 percent of the Gross Domestic Product of the United States and the major industries further increase the value of these minerals to a total of 17 percent of the GDP.

—We recommend that funds also be found to initiate programs targeted toward developing advanced mining technologies and training future miners in view of the importance of this activity to our economic development.

—Funding for the coal extraction program should be continued at a level of $1.5 million in fiscal year 2004. In addition, funding for the Consortium for Premium Carbon Products from Coal should be continued at a level of $1 million. Both of these programs focus on producing useful carbon products from coal, a need which is more critical since many of the traditional sources of carbon feedstocks are unavailable due to the loss of coking ovens associated with steel manufacturing and the need to find alternative carbon sources other than imported petroleum.

Focus Area for Computational Energy Science.—This program develops models and dynamic simulations of advanced energy plants to improve the speed and reduce the costs of developing advanced systems. The modeling results are applicable to a wide variety of fossil energy technologies such as fuel cells, advanced turbines, combustion systems, FutureGen, and chemical reactors. We request that the funding for this program be restored to the level of $5 million which the Subcommittee supported in fiscal year 2002.

High Temperature Electrochemistry Center.—The High Temperature Electrochemistry Center [HiTEC] serves as a primary technology underpinning for Fossil Energy's Advanced Energy Conversion Concepts, such as FutureGen. HiTEC develops technologies which can resolve technology barriers standing in the way of developing the power generation systems of the future. This center is supported in the Other Power Systems/Distributed Generation Systems element of the Fossil Energy program and has been recommended for funding at $10 million by the Administration for fiscal year 2004. We request that an additional $2 million be added for a total of $12 million to expand the scope of this program to include other university participants.

Innovations for Existing Plants.—Waste management issues associated with coal combustion and gasification byproducts require continued research to maximize recycle use of coal utilization byproducts for various market applications and to facilitate technology transfer. We recommend that funding for this line item be increased

to $3 million [vs. $2,475 Administration request] to provide at least $1 million for research on the utilization of combustion byproducts.

Oil and Gas Programs.—The regional Resource Centers funded under the Petroleum Technology Transfer Council [PTTC] program provide technology and training to many small oil and gas companies throughout the nation. The expertise in these centers contributes to important programs such as regional carbon sequestration. We recommend that the PTTC program be continued in fiscal year 2004 at a level of $3 million. We also recommend continuation of the PUMP program.

ENERGY EFFICIENCY PROGRAMS

Industries of the Future.—We are concerned that the fiscal year 2004 Administration budget request has significantly reduced funding for the Industries of the Future program by about 30 percent compared to fiscal year 2003. Of particular concern is the drastic reduction in funding for the Industries of the Future (Specific) Program. We have found that the IOF (Specific) programs enable the energy intensive industries to rally together in focal programs which build strong partnerships. The proposed cut will severely curtail the Mining IOF program. We request that the Industry of the Future (Specific) program be restored to the fiscal year 2003 level of $52.3 million.

FreedomCAR and Vehicle Technologies Program.—As with the Fossil Energy programs, we are concerned about the focused investment in hydrogen research for fiscal year 2004 at the expense of research in traditional liquid fuels. Our nation will use liquid fuels into the foreseeable future as we develop hydrogen technologies. It is important that we continue investments in liquid fuels. The present budget request from the Administration has essentially deleted funding for these areas. We should continue work toward developing non-petroleum based fuels using feedstocks such as coal. We request that the Subcommittee restore funding for Fuels Technology programs to the fiscal year 2002 level of $24.65 million. We have a particular interest in the following:

—Non-Petroleum Based Fuels and Lubricants: We request funding for continuing the programs of the National Research Center for Alternative Fuels, Engines and Emissions at a level of $2 million in fiscal year 2004.

—Automotive Lightweight Materials: We request funding for continuing the Metal Matrix Composites program at a level of $1 million in fiscal year 2004.

—Fueling Infrastructure: There are over 130,000 natural gas vehicles and over 300,000 compressed natural gas cylinders in use. Detailed visual inspection must be performed every three years or 36,000 miles. There are few certified inspectors, and no widely available program to train such individuals. We request funding of $1 million to continue an initiative begun in fiscal year 2003 to develop a Natural Gas Vehicle Compressed Natural Gas Cylinder Safety Inspection and Certification Training program under the leadership of the National Alternative Fuels Training Consortium [NAFTC]. The NAFTC is an organization of 22 institutions which provide training in alternative fuel vehicle safety and maintenance. These programs will also be applicable to storing hydrogen fuels.

CLOSING COMMENTS

Thank you for the opportunity to offer testimony on these important programs. We appreciate the support of the Subcommittee.

PREPARED STATEMENT OF THE PETROLEUM TECHNOLOGY TRANSFER COUNCIL

PROGRAM SUPPORT FOR THE DEPARTMENT OF ENERGY, OFFICE OF FOSSIL ENERGY OIL AND NATURAL GAS R&D PROGRAM

In support of the Department of Energy (DOE) R&D program, this letter is to provide background on the Petroleum Technology Transfer Council (PTTC) and focus on the need for the continued research required in the United States today. Independents continue to drill 85 percent of the wells in the United States. The 7,000 Independents with an average of 12 employees lack the resources, time and money to pursue research or spend valuable resources looking for technology related information. As with the Agriculture Extension Program, PTTC focuses on bringing practical information to producers in a form they can readily apply. This provides critical adult education to those out there in the field developing new oil and gas reserves. Both programs seek to make America stronger through the education of available technology.

PTTC is a national not-for-profit organization directed by industry representatives, primarily independent producers. PTTC was established in 1994 to disseminate technology ideas that were proven yet not widely accepted across the country to enhance domestic production of oil and natural gas. The PTTC program is a cost sharing arrangement with Federal funding by DOE, Office of Fossil Energy, through a grant from the National Petroleum Technology Office (NPTO) and Strategic Center for Natural Gas (SCNG) within the National Energy Technology Lab (NETL). Several state governments, universities, state geological surveys, and industry provide matching 50:50 cost-share and fully participate in the program.

For U.S. independent oil and natural gas producers, obtaining access to cost-effective exploration and production (E&P) technologies is an act of survival. With limited technical staffs, independents need field-tested and proven, cost-effective solutions to their E&P problems. The Petroleum Technology Transfer Council (PTTC) enables independents to make timely, informed technology decisions—through targeted connections to potential solutions—in its five program lines:

—Exploration
—Drilling and Completion
—Operations and Production
—Reservoir Management
—Environmental Concerns

PTTC functions as the "Bridge to Solutions" for independents by helping them identify and clarify problems, by educating them about options for solutions and opportunities, and by connecting them with technology providers. In each of these areas, PTTC disseminates information and makes connections via a network of regional resource centers at universities and state geological surveys with strong oil and gas expertise. The PTTC organization has 13 regional and satellite offices in addition to a national office to implement the transfer of information.

Smaller companies and independents play an expanding role as primary operators in domestic production of oil and gas due to major producers withdrawing from onshore activity. To address the shifting production environment, PTTC's most important products and services include:

—Low-cost regional workshops that provide real-world solutions targeted to specific constraints
—Regional resource centers with technical referral assistance to service companies/consultants and demonstrations of exploration and production software
—An award-winning national website linked to PTTC's 13 regional and satellite websites and other technical resources
—Publications and information products including newsletters, technical reports, databases, and case studies
  —National Quarterly Newsletter distributed electronically and hard-copy form
  —Petroleum Technology Digest "Case Studies" published in World Oil
  —Tech Connections published in American Oil and Gas Reporter

Technology Transfer Programs Showing Results

In nearly 10 years of transferring results to thousands of industry people, PTTC has achieved its original goals—and gained the widespread credibility within the upstream petroleum industry that is vital to success. PTTC programs disseminate cost-effective technological solutions addressing a wide range of problems—exploration, drilling and completion, operations and production, reservoir and development, as well as environmental compliance.

Following are the most important accomplishments in expanding industry awareness and technology usage at the national and regional level:

—*Technology workshops.*—PTTC held approximately 150 workshops last year and plans to hold just as many this year. Cumulatively, more than 37,000 individuals, the vast majority from industry, have attended PTTC workshops since inception. To leverage limited resources, most PTTC events are held with other organizations such as professional societies and state/regional producers associations.
—*Workshops with DOE.*—PTTC has sponsored many workshops to transfer the results of DOE programs to independents, including the Technologies for Independents Program. In upcoming events, PTTC actively looks for opportunities to highlight DOE-funded project results in its regional workshop programs.
—*Regional resource centers.*—Independents contact their local PTTC resource center for a variety of services: (1) access to information/data resources, (2) expert response to inquiries, (3) demonstration and training for E&P software, (4) information products, (5) help with understanding technological problems and opportunities, (6) access to special purpose databases, and (7) other outreach efforts.

—*E&P Software Training.*—PTTC is well respected in producing quality training on software packages that reduce risk and keep marginal well producing for longer periods, thereby gaining more of recoverable hydrocarbons. The courses offered are filled to capacity on a regular basis, which indicates the need is there and relevance is confirmed.

—*Internet websites.*—With a national website plus 13 regional and satellite sites, PTTC's electronic network is a key delivery system for oil and gas information, data, case studies, calendars of events, and technical summaries. Industry usage is increasing as the on-line technical content and search capabilities grow.

—*Newsletters.*—The 16-page, quarterly national newsletter, PTTC Network News, reaches over 16,000 readers (approximately 65 percent are independent E&P companies). Regional newsletters also inform thousands of local producers about technology transfer activities and the results of DOE technical programs.

—*Case Studies/Reports.*—PTTC has developed many producer-vendor case studies and are releasing new Petroleum Technology Digest case studies in the World Oil publication on a monthly basis that reaches over 38,000 readers. These success stories from companies that have successfully applied a technology are popular at showing other producers what is working, thereby reducing risk of application for others and increasing widespread usage of solid ideas.

—*Region-Specific Products.*—Several regions have developed products specific to local needs, such as the Louisiana Desktop Well Reference on CD–ROM, which provides lease and production data. The West Coast Region is developing templates to assist operators reduce produced water production with the participation of the state of California. This has broad appeal for the entire country. There are many similar examples in other regions.

Many DOE programs are designed to encourage environmentally responsible domestic production from marginal fields operated primarily by independent producers. Participation in the form of cost share from industry, state budgets and academia provides substantial leverage for these programs. But the reality is that federal budgets are under strain and even programs with attractive benefits are under great scrutiny.

R&D programs by major producing companies have been significantly downsized. The service sector is shouldering more of the R&D responsibility but stock market investors force companies to focus on short-term results. Investment in the domestic energy sector is severely challenged. All factors combine to create an environment where technologies appropriate for mature U.S. reservoirs receive inadequate resources for development or adaptation. In this environment, there is a role for federal funding.

The federal government balances short-term and long-term objectives in providing reliable and affordable energy to consumers across the country. In the short term, DOE-supported R&D is making an impact in reducing risks for smaller independent operators and many would like that work to continue. These projects would not be possible today without participation from DOE.

The role for government in long-term, high-risk R&D investments is to ensure new technologies directed at more unconventional resources continue to enter the pipeline to commercialization so they are available in the future. These projects have significant potential for leveraging developing technologies in other industries for application in the energy industry. Leveraging extends scarce resources and speeds commercialization. Adequate funding is essential to stimulate the continued flow of technology into the industry.

The Petroleum Technology Transfer Council (PTTC) appreciates this opportunity to submit testimony on behalf of the fiscal year 2004 appropriations for the U.S. Department of Energy (DOE). PTTC strongly supports Congressional funding for DOE Fossil Energy's Oil and Natural Gas Program at a level consistent with the importance of oil and natural gas production to the domestic economy. This level, which should be equal or higher than fiscal year 2002-fiscal year 2003 funding levels, is far above the level requested in the Administration's budget. Continued strong funding is needed for DOE to fulfill its role in securing domestic oil and natural gas production.

PREPARED STATEMENT OF PLUG POWER INC.

Plug Power urges the Subcommittee on Interior and Related Agencies to, at the least, support the President's request of $77.5 million for the PEM fuel cell program in the Department of Energy's Energy Efficiency and Renewable Energy Office.

My name is Dr. Roger Saillant, President and Chief Executive Officer of Plug Power, Inc., a developer of on-site energy generating systems utilizing proton exchange membrane ("PEM") fuel cells for stationary power applications. I am particularly pleased about the opportunity to comment on the U.S Department Of Energy Budget. Plug Power, our Latham, NY-based company was founded in 1997, as a joint venture of DTE Energy Company and Mechanical Technology Incorporated. Plug Power's fuel cell systems for residential and small commercial stationary applications are expected to be sold globally through a joint venture with the General Electric Company, one of the world's leading suppliers of power generation technology and energy services.

Plug Power is very enthusiastic about the attention being paid to the impact of fuel cell technology on energy transformation and the interest level in Washington. As President Bush emphasized during his State of the Union Address, we as a nation currently have an opportunity to make a great difference to our economy, to our world position, and to the environment. As an auto company executive veteran of 30 years experience, who participated in the auto emission, safety, and fuel economy improvements, I see parallels in the magnitude of the challenges and the scope of the outcomes. First, the auto company transition costs were enormous but were forced by regulation. Currently, the fuel cell industry in partnership with the U.S. Government is trying to facilitate fuel cell based energy transformation improvements through R&D and buy-down incentives at a significant dollar cost. Second, this upcoming change in our energy situation is related to worldwide problems of natural resource depletion rates and global environmental degradation. Thus, the United States must be a technological leader in the emergence of this economic opportunity. And third, going from a centralized distribution model to a mosaic of centralized and distributed generation based on fossil fuels, wind, biomass, solar, and nuclear will require inspired leadership from our government over an extended period of time.

STATIONARY FUEL CELL DESCRIPTION

A stationary fuel cell is an on-site power generation system that electrochemically combines hydrogen with oxygen in the air to form electricity. The hydrogen fuel can be obtained from readily available fuels, such as natural gas or propane, or in the longer term from renewable sources. It can also be generated by electrolyzing water with low-cost off-peak electricity, or with electricity obtained from renewable sources such as solar, wind, or biomass. Fuel cell systems, whether for the residential, commercial or institutional markets, produce not only electricity, but also heat that can be captured and beneficially utilized in these applications (combined heat and power [CHP]). This makes such fuel cell systems highly efficient as well as environmentally friendly. This is in stark contrast to central power plants where generally the heat is not captured or utilized. The heart of the stationary PEM fuel cell system is the stack, which is comprised of the same technology as is used in most fuel cell vehicle applications.

STATIONARY FUEL CELL BENEFITS

Our traditional central generation model for supply of power in the United States is failing to meet the needs of a growing economy with increasing demand for high-quality power. There are weaknesses in power generation, transmission and distribution infrastructure that can best be met with the new paradigm of distributed generation: placing the generating assets on site, where both the thermal and electric energy is needed. Fuel cells will be an important technology component in our nation's distributed generation portfolio.

When operating on a fossil fuel such as natural gas, stationary fuel cells using reformers emit less than half the CO_2 (a primary "greenhouse gas"), of a traditional, coal-fired power plant. When fueled by hydrogen from a renewable energy source such as solar, wind, or hydropower, or if the fuel source is bio-fuel like ethanol from plant wastes, CO_2 emissions are net zero.

Fuel cells can provide highly reliable electricity. Some studies estimate that power quality and reliability issues cost our economy as much as $150 billion per year in lost materials and productivity alone, while others have reported estimates as high as $400 billion per year (source: Bear Stearns, April 2000 Distributed Energy, p. 8).

Fuel cells require hydrogen and oxygen to react chemically and produce electricity (and heat) and can therefore use any hydrogen rich fuel, or direct hydrogen. This allows fuel cell products to be "customized" for customers' available fuel. It also provides the option of renewably generated hydrogen for a fully renewable and zero emissions energy system.

Because fuel cells provide electricity at the site of consumption, they reduce the load on the existing transmission and distribution system. Siting the fuel cells at the point of consumption also avoids the line losses (up to 15 percent) inherent in moving electricity and provides an alternative to costly and unattractive traditional power lines.

Because fuel cells make both electric and thermal energy where it is needed, the heat can be recaptured in combined heat and power applications to attain combined efficiencies of over 80 percent.

Fuel cell systems are quiet.

STATIONARY FUEL CELL RESEARCH AND DEVELOPMENT NEEDS

Our company participated in the Department of Energy road-mapping process for the stationary fuel cell program in 2002. During that process, it became clear that the number one R&D need from the U.S. Government is to cost share component research and development for significant cost reductions, as well as life and reliability improvements. Additionally, the group suggested that a dedicated national laboratory tackle core, pre-competitive R&D issues that are beneficial to all of the PEM fuel cell developers.

Clearly, some fuel cell R&D is crosscutting and has applications for both stationary and transportation applications. For example some of the basic stack component improvements such as materials, catalysts, instrumentation and supporting controls, blowers and pumps, will help both applications. In fuel processing, synergies between the applications occur as we begin to move to a hydrogen-based system that is non on-board. And in the integration of fuel cell systems, some subsystem synergies can be co-utilized. We are pleased that the Department of Energy recognizes these synergies and has reorganized into a more comprehensive program.

Where the fuel cell stack is concerned, this means critical research on both stack and fuel processor involve life and unit cost. For stationary applications, weight and size can be greater than in automotive applications; however, the life of the fuel cell must be at least 40,000 hours compared to an auto fuel cell life need of only 5000 hours. Ideally, the participants in the development of the fuel cell technology roadmap would like to see a 100,000-hour stack life to make the fuel cell system akin to other major "appliances" in the home or building.

Fuel to feed a stationary stack will be gaseous, such as natural gas or propane (or direct hydrogen); therefore, reformer technology is very different from onboard vehicular reforming of liquid fuels. Research agendas include the need for significant reformer cost reduction, as well as life and reliability improvements. Fuel clean up is also important and there are hence implications for the fuel cell stack and how many "impurities" it may be able to accept.

The integrated system design for the major fuel cell components including supporting subsystems (i.e., cooling, water management, etc.) depends on the application. Integration and systems architecture are very important development needs for fuel cell manufacturers, as is manufacturing improvements and research.

NEED FOR GOVERNMENT R&D AND SYSTEMS INTEGRATION

Plug Power is enthusiastic about the President's commitment to hydrogen and fuel cell technology made evident by his State of the Union Address and budget increase. We feel that there is a vital role for the U.S. Government, and specifically the Department of Energy, to work with industry on pre-competitive research and on systems architecture and integration with specific products and applications in mind. These efforts begin with a fundamental understanding of the PEM fuel cell stack membranes, catalysts, plates, as well as reformer fundamentals as they relate to contaminant resistant catalysts and hydrogen storage technology. Further, the availability of higher quality heat from high temperature (150C to 200C) PEM stacks requires fundamental research on stack components and associated systems that further increases the value and impact of stationary power systems. Another area of high interest is the coupling of hydrogen generation for stationary and automotive applications to further increase overall efficiency and impact the progress toward widespread fuel cell use and greater energy independence. The results of all these efforts are universally applicable to fuel cell power systems, speed their commercial introduction, and move the United States closer to energy independence.

Pre-competitive research is tough for industry. When I first became CEO of Plug Power, I wrote to many of the PEM fuel cell developers with a plea that we work together on fundamental research issues that are vital to all our interests. This is not something a competitive industry will readily undertake. Rather, the government has to take the lead in bringing us all together, ensuring that no one's rights are infringed upon similar to the Semetech approach used in Austin in the late 80's.

I feel very strongly that there are "leapfrog" technologies that will help all of us in the fuel cell industry, while helping the United States become a global technology leader in this field. We need to work together, with the DOE taking the lead, to find those leapfrog advancements. Without this private-public partnership, the U.S. industry will fail to develop and will allow another country to win the race to lead this industry.

We urge this Subcommittee to, at the least, approve the President's request for an additional $20 Million for the PEM fuel cell program in the Department of Energy's Energy Efficiency and Renewable Energy Office.

PREPARED STATEMENT OF SAGE ELECTROCHROMICS, INC.

SAGE Electrochromics, Inc., located in Faribault, Minnesota, is a developer of energy saving electrochromic (EC) window products and is working in partnership with the U.S. Department of Energy (DOE.) We at SAGE urge you to recommend a budget level of $7,000,000 for the Window's Technologies Program at DOE including $2.5 million for electrochromics R&D, engineering and systems integration in fiscal year 2004 Interior Appropriations.

BRIEF DESCRIPTION OF ELECTROCHROMICS

An electrochromic window (door or skylight) is a solar control device that regulates the flow of light and heat with the push of a button. In this way the window tint can be varied from fully colored to completely clear or anywhere in between. The electrochromic (EC) properties are achieved through vacuum deposited thin films on one of the glass surfaces, with the rest of the construction being very similar to the standard insulated glass used in millions of homes and office buildings.

THE UNIQUE BENEFITS OF ELECTROCHROMICS AND WHY THEY ARE GOOD FOR THE COUNTRY

Industrial and government partners in the DOE EC program are performing cost shared research and development that will lead to significant energy and cost savings by fundamentally changing the nature and function of window products for tomorrow's buildings. Significant savings in the cooling and lighting loads can be achieved while reducing peak electricity demand. Just as important is the ability of EC technologies to improve visual and thermal comfort and thereby increase worker productivity and the aesthetics of the home or office space.

Traditionally, adding windows to a building envelope has meant reducing energy efficiency because the other materials in the structure are much more energy efficient. However, with EC technology, windows will become multifunctional energy saving appliances in the home or office space and thereby will allow increased use of windows for aesthetic reasons. The Lawrence Berkeley National Laboratories (LBNL) estimated that the use of EC in average size windows in commercial buildings will reduce cooling electricity consumption by up to 28 percent, lower peak electrical power demand by 6 percent and decrease lighting costs by up to 19 percent for the entire building perimeter zone.

In the residential sector, use of electrochromic windows could lead to a 65 percent reduction in cooling over the existing installed base and a 47 percent reduction in cooling over the best performing glass used today—spectrally selective low-E. Heating savings based on the weighted average U-value and shading coefficients for the installed base and new construction are 61 percent and 31 percent respectively. This will be even more important for the customer's bottom line as the cost of energy becomes increasingly market driven.

National energy savings are also impressive. The calculated national total energy savings for all market segments due to EC glazing adoptions show energy savings of 0.71 quads across all market sectors, which translates into total annual national energy cost savings of $11.5 Billion. These estimates are based on current EC technology, which is expected to improve during the marketing period. Additionally, the LBNL estimates do not include the use of occupancy sensors, which could substantially reduce cooling costs in the summer and heating costs in the winter simply by switching the EC glass to the completely darkened or clear states at the appropriate time.

Although energy and energy-related costs savings are significant, additional benefits accrue from using EC technology and may even be more important. Reduced fading of fabrics has significant cost impacts in many installations. Glare control and greater thermal comfort, as well as the ability for full daylighting have been shown to increase worker productivity and reduce absenteeism. Ability to change

building design to take advantage of more window space is a significant architectural benefit and may additionally reduce energy use as a side benefit. And the EC industry could easily grow to over $15 Billion.

ADDITIONAL WORK TO BE DONE REQUIRES FURTHER INVESTMENT

The Department of Energy has supported this research and development for the past few years, but insufficient funding has been split among a number of players in the industry. Traditionally, activities have focused on development of durable electrochromic materials and devices for use in building applications. This has moved the technology so far; however, it has become clear that the industry needs and will cost share pre-competitive research in three areas. First, continued materials and basic component research for EC windows, which is the principal area funded by the DOE EC program in prior years. Second, technology and engineering activities focused on volume manufacturing processes for improved performance, yields and reliability. And third, systems engineering and applications research focused on design, specifications, installation and lifetime of the products in building applications.

In Materials and Components Research and Development, near term activities must focus on continued optimization of the device and the individual thin film layers further improving optical performance and achieving coloration desired by architects and building owners. These advancements will be very important to maximize market penetration and hence the total national energy savings provided by electrochromic windows. Modifications to achieve more rapid switching will be required for those applications in which glare must be reduced quickly (e.g. workplaces with computer display terminals). Additionally, advanced, durable window controls technology must be developed that can reproducibly switch EC glazings to appropriate transmission states for occupant comfort and/or optimum energy savings.

With respect to Manufacturing Technology and Engineering, future activities should apply basic knowledge developed from the materials and components R&D to design for volume production and the implementation of in-situ diagnostics for rapidly and automatically controlling EC window fabrication processes. Additionally, consensus EC window performance requirements must be developed together with standards setting organizations and will entail significant testing in the initial stage to establish the technical basis for performance requirements. Testing needs to include laboratory testing of large electrochromic windows under simulated solar irradiation and accelerated temperature conditions, and towards the end of 2003, extensive outdoor testing in which windows can be exposed to a range of real world environmental conditions.

In Systems Engineering and Application, the DOE program must begin initial field trials of EC windows in occupied buildings. The first installations will have fairly simple controls and elicit user feedback on performance comfort level and other parameters. Multiple window control must be developed and demonstrated so we can learn how to tie the adjacent windows together for control of the overall space.

In summary, SAGE Electrochromics, Inc. urges the Subcommittee to include $7,000,000 for the Window's Technologies Program at DOE including $2.5 million for electrochromics R&D, engineering and systems integration in fiscal year 2004 Interior Appropriations. It is obvious that with continued public and private partnership, EC research will open the door for significant energy and cost savings in the United States.

PREPARED STATEMENT OF THE SIEMENS WESTINGHOUSE POWER CORPORATION

SUMMARY OF RECOMMENDATIONS

The Siemens Westinghouse Power Corporation believes that energy technology R&D is essential to our nation's future and respectfully offers the following funding level recommendations in the fiscal year 2004 DOE Fossil Energy R&D budget for Interior Appropriations:

High Efficiency Engines and Turbines (HEET).—$24 million: to increase university-led research, strengthen advanced materials and advanced combustion research.

Vision 21 Hybrids—Distributed Generation.—$16.5 million: to accelerate commercial applications by completing on-going fuel cell and hybrid system technology development.

Innovative Systems Concepts—Distributed Generation.—$43 million to fully-fund on-going research for next generation, high power density stationary power fuel cell systems (SECA).

Sequestration R&D.—$62 million: supporting the Administration's request.

—The United States has placed a high priority on developing cleaner more efficient electric power generation technologies;

—The Administration's 2004 budget proposal correctly recognizes the need for continued investments in fossil fuel R&D in order to meet the increasingly demanding environmental, siting and efficiency demands for new generation technologies;

—New proposals now being debated in the Congress will significantly tighten environmental standards but today's technologies are unlikely to meet these standards without additional R&D investments;

—The Administration is addressing the need for advanced energy technologies through initiatives like the Clean Coal Power Initiative and FutureGen, as well as the Freedom Car and Freedom Fuels proposals. Implicit in all of these initiatives is the need to employ our extensive technology capabilities to utilize coal, our most abundant, dependable and least expensive energy source. As we move to develop emerging coal technologies like integrated gasification combined cycle (IGCC) and other stationary fuel cell hybrid turbine applications, advanced gas turbines and stationary fuel cells are certain to play key roles in the U.S. generation supply mix;

—The National Research Council's recent report on DOE's Vision 21 program recommended that "additional commitments should be made to develop, design and test large scale turbine and fuel cell power systems that can function successfully on both synthesis gas (syngas) and hydrogen: "The full potential of these cleaner burning and more efficient coal-based generation technologies cannot be achieved without continued investments in advanced gas turbine and stationary fuel cell technologies";

—The Administration has correctly recognized the need for continued R&D funding support for the cost shared, industry—DOE gas turbine program. This program has been refocused and renamed the High Efficiency Engines and Turbines (HEET) program but funding has remained essentially flat for several years while the need and program goals have increased;

—The Administration also continued its R&D investment in stationary fuel cell applications but with the focus now on fuel cell transportation applications, the stationary fuel cell program funding needs have suffered. The proposed 2004 funding level for stationary applications for example is $16 million less than fiscal year 2003. This is despite the widespread recognition that the development of stationary fuel cell applications is necessary before their success in the transportation sector is possible. Successful commercialization of stationary fuel cells should provide key technology building blocks that will be required for the transportation programs to reach the aggressive goals which have been established;

—As a result, the Administration's stationary fuel cell and turbine program funding commitments fall significantly short of the funding needed for these two key technologies if the United States is to achieve the Administration's laudable commercialization objectives.

Under the Fuel and Power Systems/Turbines budget line, Siemens Westinghouse Power Corp. recommends a 2004 funding level for DOE's refocused HEET program of $24 million. While this level is well above the Administration's recommendation of $13 million, it is conservative when compared to DOE—Stakeholder estimates that the program should be funded at the $240 million (i.e. $40 million a year) level over six years if we are to achieve the cost reductions necessary for widespread market penetration of high-efficiency coal plants.

Under Distributed Generation/Vision 21 Hybrids we recommend a funding level of $16.5 million (of which $11.5 million is for continued development of the existing tubular SOFC program). This recommended increase is up significantly from the Administration's request of $5.0 million in order to continue to achieve cost reduction goals necessary for commercial market penetration. Past funding shortfalls have resulted in the stationary fuel cell R&D program failing behind in its commitments and the $16.5 million funding level should enable DOE to continue progress toward the aggressive cost reduction targets mandated under the Vision 21 program.

Under the Distributed Generation—Innovative Systems Concepts budget line, we also recommend that funding be increased to $43 million for fiscal year 2004. This increase is necessary just to maintain DOE's previous program contract commitments. The Solid State Energy Conversion Alliance or SECA, which this budget line

supports, holds great promise for delivering an advanced low cost solid oxide technology that will make possible smaller and more efficient fuel cells for the stationary and transportation markets.

GAS TURBINES

The Department of Energy, in cooperation with industry, funded research and development through its Advanced Turbine Program that has made the latest generation of gas turbines, in a combined cycle configuration, almost twice as efficient as the existing fleet of power plants, and with significantly lower emissions. At the same time, natural gas turbine based generation technology can also be deployed with investment costs that are also among the lowest now available in the marketplace.

The United States is in the process of committing itself to major improvements in both the efficiency and the emission levels of coal powered power plants under the Administration's Clean Coal Power Initiative. It has also committed itself to development of the hydrogen economy through the FutureGen, FreedomCar and FreedomFuel programs. We can also expect that the FutureGen initiative should result in significant improvements in emission and efficiency levels for existing coal burning generation facilities while at the same time moving us to a new generation of technologies like Integrated Gasification Combined Cycle (IGCC). IGCC holds the potential of using the United States' vast reserves of cheap and abundant coal in ways that are substantially cleaner, more efficient and which will be able to sequester CO_2.

While the Administration has recognized the important role of the gas turbine in preserving future U.S. coal markets by including funding for the HEET program in its 2004 DOE R&D budget proposal, the level is significantly below the level required to develop critical advanced materials, sensors, and combustion technologies. In order to develop an advanced turbine suitable for use in advanced generation technologies such as IGCC and fuel cell hybrids that operate on natural gas or synthetic gas from coal, we recommend that the funding level be increased to $24 million. At this level we can continue the needed natural gas R&D and accelerate the R&D needed for synthetic coal gas applications. Our recommendation reflects the technology needs identified by DOE and others and is also consistent with the view that the program is an integral and key component of the NEP, the CCPI and FutureGen. This increased level of funding will also permit adequate support for the Cooperative University Gas Turbine Technology Research Program. This program has played a key role in encouraging pre-competitive basic science program participation by the university community and has been a major source of graduate level recruitment for the power generation industry.

Unfortunately, today's advanced gas turbines that use technologies developed under DOE's Advanced Turbine Systems program will require major technology advances if they are to play the key roles envisions by the Administration's initiatives because;

(1) Today's turbine technologies cannot use the coal-derived synthetic fuel gas or high hydrogen content gas produced by gasification technology and essential to the Department of Energy's FutureGen initiative;

(2) We do not have the materials available that will permit today's machines to operate at the much higher operating temperatures that will be required and thus advanced materials such as ceramics will be needed;

(3) We do not have the integrated diagnostic equipment, such as on-board sensors, to permit the higher levels of reliability needed in integrated systems. Thus without significant additional research and development in combustion science, advanced real time sensors and diagnostics and advanced materials we run the very real risk that other advanced technology components could be ready for deployment, but lack the key component, the advanced gas turbine.

Without the research and development investments recommended above, the ability of the energy industry to meet the future needs of the economy with minimal environmental impact, could be jeopardized. With the successful resolution of these and similar technology questions, the United States will be able to increase its national energy security, lower consumer cost and reduce emissions.

FUEL CELLS

Stationary fuel cell technology has advanced rapidly in recent years and is increasingly seen as the stepping stone to more distant transportation applications. In particular, fuel cell stationary power applications are now a technological reality although their costs currently limit their application to niche markets where the high costs can be justified.

The Siemens Westinghouse Pittsburgh-based tubular solid oxide fuel cell (SOFC) technology is at a critical pre-commercialization stage with continued pre-commercial demonstrations for product development required to assure commercial viability. The current focus on cost reduction efforts also enables a competitive technology which is crucial to the development of high volume manufacturing for commercialization. While the SOFC program has resulted in impressive cost reductions, additional work on advanced cell manufacturing, manufacturing assembly and fabrication technologies is critical to achieve the mandated DOE cost reduction targets. To date, our efforts have produced a superior technology that has demonstrated the longest running fuel cell of any kind, the longest running high temperature fuel cell system, and the world's first high efficiency fuel cell/mircroturbine hybrid, But continued federal support is critical to achieving the program's milestones and commitments. To achieve these additional cost reductions we recommend a fiscal year 2004 funding level for the Vision 21 Hybrids budget line of $16.5 million.

While the Vision 21 solid oxide fuel cell program is now nearing completion, a next generation of fuel cells is also under way. The Solid Energy Conversion Alliance or SECA, is being implemented under the Innovative Systems Concepts—Distributed Generation Systems budget line. SECA will take the technology lessons learned in the Siemens Westinghouse tubular SOFC program and apply them to a more advanced SOFC program designed to reduce the costs dramatically and make possible the widespread deployment of stationary fuel cells in stationary, military and transportation markets. This program holds enormous potential but at the Administration recommended level of $23.5 million, it is unlikely to achieve its goals in a timely fashion. We recommend therefore that the Innovative Systems Concepts budget line be increased to at least $43 million in order to achieve the cost reductions necessary to achieve market penetration in the time frames currently proposed by the program. Even at the $43 million funding level, the program would only meet existing SECA contract commitments.

SEQUESTRATION R&D

The Siemens Westinghouse Power Corporation supports the Administration's request for $62 million directed towards carbon sequestration. This forward-looking program is expected to culminate in the development of a virtually emissions-free generation technology. To support this goal, we have defined a concept that uses solid oxide fuel cell technology. The technology, known as the Zero Emission 250 kWe SOFC combined heat and power system would enable the emissions from the power system to be processed in such a way that the CO_2 exhaust is separated and captured. Support for this and other advanced sequestration technology applications can benefit from the Administration's FutureGen initiative.

PREPARED STATEMENT OF THE SOUTHERN COMPANY

Mr. Chairman and Members of the Committee: Southern Company operates the Power Systems Development Facility (PSDF) in Wilsonville, AL on behalf of the U.S. Department of Energy's (DOE's) National Energy Technology Laboratory (NETL) and several industrial participants.[1] The PSDF was conceived as the premier advanced coal power generation research and development facility in the world and it has fulfilled this expectation. I would like to thank this subcommittee for its past support for the PSDF and request its continued support. This statement is in support of a $13 million increase in DOE's Coal and Power Systems budget for the PSDF. The current budget requests $21 million for the PSDF in fiscal year 2004; however, $34M is needed to conduct the research needed to support the success of FutureGen—The Pollution Free Power Plant of the Future—recently proposed by President Bush. The major accomplishments at the PSDF to-date and the future test program planned by DOE and the PSDF's industrial participants are summarized below.

A key feature of the PSDF is its ability to test new systems at an integrated, semi-commercial scale. Integrated operation allows the effects of system interactions

[1] Current participants include Southern Company, EPRI, Kellogg Brown and Root, Siemens Westinghouse Power Corporation, Peabody Energy, and the Burlington Northern and Santa Fe Railway Company. Foster Wheeler Corporation is a major past participant and Air Products and Chemicals, Praxair, Inc., and Pall Corporation among others have proposed significant participation in the future. In addition to the Wilsonville plant site major work is planned, or components for the PSDF are being developed at the following locations: Grand Forks, ND (sub-scale gasifier testing), Houston, TX (gasifier development); Orlando, FL (gas turbine low-NO_X burner), Pittsburgh, PA (filter fabrication), Allentown, PA and Tonawanda, NY (advanced air separation technology); and DeLand, FL (filter fabrication).

that are typically missed in unintegrated pilot-scale testing to be understood. The semi-commercial scale allows the maintenance, safety, and reliability issues of a technology to be investigated at a cost that is an order of magnitude below the cost of commercial scale testing. Capable of operating at pilot to near-demonstration scales, the PSDF is large enough to give industry real-life data, yet small enough to be cost-effective and adaptable to a variety of technology research needs.

In addition, Southern Company supports the overall $60 million increase in the President's Coal Research Initiative within DOE's Fossil Energy R&D program for fiscal year 2004 recommended by the Coal Utilization Research Council (CURC[2]). The goals of the Technology Roadmap developed and supported by DOE, the Electric Power Research Institute (EPRI) and the CURC are achievable with funding at this increased level.

The Roadmap identifies the technical, economic, and environmental performance that advanced clean coal technologies can achieve over the next 20 years and is included in CURC's testimony presented before this committee. CURC believes that over this time period coal-fired power generation efficiency can be increased to over 50 percent (compared to the current fleet average of ~32 percent today) while producing de minimis emissions and developing cost-effective technology for carbon dioxide management.

The Roadmap also identifies the R&D cost to achieve this performance. From now until 2010 $6.6 billion is needed and over the following decade approximately $3.5 billion is needed—a total of $10.1 billion. About half of these funds will come from industry and half from the Federal government. This is a $5 billion Federal investment over the next 20 years that can be reasonably projected to return at least $300 billion in benefits to U.S. consumers by 2050. EPRI recently used the modern financial technique called "Real Options" to estimate the value of advanced coal research and development.[3] The major conclusion is that the value to U.S. consumers of further coal R&D for the period 2007–2050 is at least $360 billion and could reach $1.38 trillion. But, for these benefits to be realized the critically important R&D outlined in the Technology Roadmap must be conducted.

SUMMARY

The United States has always been a leader in energy research. Given the concerns for homeland security, adequate funding for fossil energy research and development programs will provide this country with secure and reliable energy while reducing our dependence on foreign energy supplies. Current DOE fossil energy research and development programs for coal, if adequately funded, will assure that a wide range of electric generation technology options continue to be available for future needs. The choices that confront Congress when it examines the near-term effects of research programs on the Federal budget are difficult. However, significantly increased support for advanced coal-based energy research is essential to the long-term environmental and economic well being of the United States. Prior DOE clean coal research has already provided the basis for $100 billion in consumer benefits at a cost of less than $4 billion. Funding the Technology Roadmap beginning with this year's request of $60 million above the Administration's budget request for DOE coal R&D can lead to additional consumer benefits of between $360 billion and $1.38 trillion.

One of the key national assets for achieving these benefits is the PSDF. The fiscal year 2004 funding for the PSDF needs to increase to $34 million to support construction of new technologies that are critical to the success of President Bush's FutureGen program.

PSDF ACCOMPLISHMENTS

The PSDF has developed testing and technology transfer relationships with over 50 vendors to ensure that test results and improvements developed at the PSDF are incorporated into future plants by the systems suppliers. Major subsystems tested and some highlights of the test program at the PSDF include:

Transport Reactor.—The Transport Reactor has been operated successfully as a pressurized combustor and as a gasifier in both oxygen- and air-blown modes and, as a result has exceeded its primary purpose of generating gases for downstream

[2] CURC has over 40 members interested in coal-based energy systems including major universities, coal companies, railroads, electric generators, and technology suppliers. CURC members also include EPRI, the United Mine Workers of America, the Edison Electric Institute, the National Mining Association, and the National Rural Electric Cooperative Association.

[3] EPRI Report No. 1006954, "Market-based Valuation of Coal Generation and Coal R&D in the U.S. Electric Sector," May 2002.

testing. It is now projected to be the lowest capital cost coal power generation option while also providing the lowest cost of electricity with excellent environmental performance.

Advanced Particulate Control.—Two advanced particulate removal devices and 28 different filter elements types have been tested to clean the product gases, and material property testing is routinely conducted to assess their suitability under long-term operation. The material requirements have been shared with vendors to aid their filter development programs.

Filter Safe Guard Device.—To further enhance reliability and protect downstream components, a "safe guard" device was successfully developed that reliably and completely seals off the filter element upon filter element failure, thus preventing damage to the combustion turbine.

Coal Feed and Ash Removal Subsystems.—The key to pressurized operation is reliable operation of the feed system to the pressurized reactor and ash removal system from the reactor and filter vessel. Modifications developed at the PSDF and shared with the equipment supplier allows the equipment to perform in a commercially acceptable manner.

Syngas Cooler Testing.—Syngas cooling is of considerable importance to the gasification industry. Ferrules made of several different materials were tested at the inlet of the gas cooler and one ceramic material has been shown to perform well in this application.

Instrumentation.—Several instrumentation vendors have worked with the PSDF to develop and test their instruments under realistic combustion and gasification conditions.

Highly Experienced Staff.—In addition to this physical infrastructure, a highly experienced staff has been created that has a demonstrated ability to solve complex technical problems and rapidly move new technologies to commercial applications.

PSDF FUTURE TEST PROGRAM

Future testing at the PSDF is intended to support FutureGen, the previously described Technology Roadmap, and the DOE Vision 21 coal initiative, which aims to eliminate all the environmental issues that present barriers to the continued use of coal. This includes major reductions in emissions of SO_2, CO_2, NO_X, particulates, and trace elements (including mercury), as well as reductions in solid waste disposal and water consumption. The focus will remain on the commercialization of these new technologies as well as those currently under development at the PSDF. Assuming adequate funding the new five-year program at the PSDF is planned to include the following activities.

Oxygen-Blown Transport Gasifier.—Continue the development of the oxygen-blown Transport Gasifier to further optimize its performance, explore feedstock flexibility and provide syngas for testing of Vision 21 technologies and FutureGen.

Air Separation Membranes.—Test advanced air separation membrane modules provided by Praxair and Air Products to evaluate membrane performance and system integration issues.

Advanced Synthesis Gas Cleanup.—Test new advanced synthesis gas cleanup systems for hydrogen sulfide, hydrochloric acid, ammonia, and mercury removal to near-zero levels.

Solid Oxide Fuel Cell Element Test Skid.—Test a solid oxide fuel cell to evaluate performance on coal-derived synthesis gas and identify integration issues. Combustion Turbine Burner: Integrate the existing 3.8 MW combustion turbine with a new synthesis gas burner developed by SWPC.

H_2/CO_2 Separation Technologies.—Integrate and test advanced H_2/CO_2 separation technologies to assess performance on coal-derived synthesis gas.

Synthesis Gas Cooler.—Test alternative designs that are less complex, have lower capital cost, and offer better control of the synthesis gas exit temperature.

Cooler for Char Removal from Gasifier.—Alternatives to current screw cooler technology have been developed and will be evaluated and tested to improve reliability and availability. New Particulate Control Device (PCD) Internals: Evaluate alternative filter internal designs from several vendors.

High-Temperature Valves for Char Removal from the PCD.—Original design requirements dictated high temperature char depressurization. Developments since startup allow substantially reduced char temperature prior to depressurization. Several higher reliability moderate temperature valves are available that need to be tested.

Improved Fuel Feed Systems.—Alternatives to conventional lock hopper feed systems have been identified and will be evaluated. The results will be applicable to all dry-feed gasifiers.

High-Temperature Heat Exchangers.—The PSDF has been identified as a suitable location for testing of high-temperature heat exchangers that can be used in both advanced combustion and IGCC technologies.

Sensors.—Several vendors have begun testing their sensors for a variety of functions, including control of temperature and coal feed rate; detection of gaseous species, tar, and dust at low concentrations; and detection and continuous measurement of hazardous air pollutants.

PREPARED STATEMENT OF THE TEACHERS' RETIREMENT SYSTEM, STATE OF CALIFORNIA

Department of Energy.—Elk Hills School Lands Fund: $59 million for sixth annual installment of Elk Hills compensation

Acting pursuant to Congressional mandate, and in order to maximize the revenues for the Federal taxpayer from the sale of the Elk Hills Naval Petroleum Reserve by removing the cloud of the State of California's claims, the Federal Government reached a settlement with the State in advance of the sale. The State waived its rights to the Reserve in exchange for fair compensation in installments stretched out over an extended period of time.

Following the settlement, the sale of the Elk Hills Reserve went forward without the cloud of the State's claims and produced a winning bid of $3.65 billion, far beyond most expectations. Under the settlement between the Federal Government and the State, the State is to receive compensation for its claims in annual installments over 7 years without interest. Each annual installment of compensation is subject to a Congressional appropriation. In each of the past 5 fiscal years (fiscal years 1999–2003), Congress has appropriated the funds necessary to pay the $36 million installment of compensation due for that year.

Congress should appropriate for fiscal year 2004 the $59 million due as the sixth annual installment payment of compensation under the settlement that Congress directed the Administration to achieve.

The Elk Hills appropriation has the broad bipartisan support of the California Congressional delegation. Senator Feinstein is the lead Senate sponsor. On the House side, the California House delegation has sent a letter signed by the entire delegation to the Chairman of the House Interior Appropriations Subcommittee strongly supporting the $59 million appropriation for fiscal year 2004.

BACKGROUND

Upon admission to the Union, States beginning with Ohio and those westward were granted by Congress certain sections of public land located within the State's borders. This was done to compensate these States having large amounts of public lands within their borders for revenues lost from the inability to tax public lands as well as to support public education. Two of the tracts of State school lands granted by Congress to California at the time of its admission to the Union were located in what later became the Elk Hills Naval Petroleum Reserve.

The State of California applies the revenues from its State school lands to assist retired teachers whose pensions have been most seriously eroded by inflation. California teachers are ineligible for Social Security and often must rely on this State pension as the principal source of retirement income. Typically the retirees receiving these State school lands revenues are single women more than 75 years old whose relatively modest pensions have lost as much as half or more of their original value to inflation.

CONGRESSIONAL DIRECTION TO SETTLE THE STATE'S CLAIMS

In the National Defense Authorization Act for fiscal year 1996 (Public Law 104–106) that mandated the sale of the Elk Hills Reserve to private industry, Congress reserved 9 percent of the net sales proceeds in an escrow fund to provide compensation to California for its claims to the State school lands located in the Reserve.

In addition, in the Act Congress directed the Secretary of Energy on behalf of the Federal Government to "offer to settle all claims of the State of California . . . in order to provide proper compensation for the State's claims." (Public Law 104–106, § 3415). The Secretary was required by Congress to "base the amount of the offered settlement payment from the contingent fund on the fair value for the State's claims, including the mineral estate, not to exceed the amount reserved in the contingent fund." (Id.)

SETTLEMENT REACHED THAT IS FAIR TO BOTH SIDES

Over the course of the year that followed enactment of the Defense Authorization Act mandating the sale of Elk Hills, the Federal Government and the State engaged in vigorous and extended negotiations over a possible settlement. Finally, on October 10, 1996 a settlement was reached, and a written Settlement Agreement was entered into between the United States and the State, signed by the Secretary of Energy and the Governor of California.

The Settlement Agreement is fair to both sides, providing proper compensation to the State and its teachers for their State school lands and enabling the Federal Government to maximize the sales revenues realized for the Federal taxpayer by removing the threat of the State's claims in advance of the sale.

FEDERAL REVENUES MAXIMIZED BY REMOVING CLOUD OF STATE'S CLAIM IN ADVANCE OF THE SALE

The State entered into a binding waiver of rights against the purchaser in advance of the bidding for Elk Hills by private purchasers, thereby removing the cloud over title being offered to the purchaser, prohibiting the State from enjoining or otherwise interfering with the sale, and removing the purchaser's exposure to treble damages for conversion under State law. In addition, the State waived equitable claims to revenues from production for periods prior to the sale.

The Reserve thereafter was sold for a winning bid of $3.65 billion in cash, a sales price that substantially exceeded earlier estimates.

PROPER COMPENSATION FOR THE STATE'S CLAIMS AS CONGRESS DIRECTED

In exchange for the State's waiver of rights to Elk Hills to permit the sale to proceed, the Settlement Agreement provides the State and its teachers with proper compensation for the fair value of the State's claims, as Congress had directed in the Defense Authorization Act.

While the Federal Government received the Elk Hills sales proceeds in a cash lump sum at closing of the sale in February, 1998, the State agreed to accept compensation in installments stretched out over an extended period of 7 years without interest. This represented a substantial concession by the State. Congress had reserved 9 percent of sales proceeds for compensating the State. The school lands owned by the State had been estimated by the Federal Government to constitute 8.2 to 9.2 percent of the total value of the Reserve. By comparison, the present value of the stretched out compensation payments to the State has been determined by the Federal Government to represent only 6.4 percent of the sales proceeds, since the State agreed to defer receipt of the compensation over a 7-year period and will receive no interest on the deferred payments.

Accordingly, under the Settlement Agreement the Federal Government is obligated to pay to the State as compensation, subject to an appropriation, annual installments of $36 million in each of the first 5 years (fiscal years 1999–2003) and the balance of the amount due split evenly between years 6 and 7 (fiscal years 2004–2005).

THE MONEY IS THERE TO PAY THE STATE

The funds necessary to compensate the State have been collected from the sales proceeds remitted by the private purchaser of Elk Hills and are now being held in the Elk Hills School Lands Fund for the express purpose of compensating the State.

Congress has appropriated the funds necessary for each of the previous five annual installments of Elk Hills compensation.

THE PRESIDENT'S FISCAL YEAR 2004 BUDGET REQUEST FOR THE SIXTH ANNUAL INSTALLMENT OF ELK HILLS COMPENSATION

Following payment of the fifth installment of Elk Hills compensation for fiscal year 2003 (funds having been appropriated for payment on October 1, 2003), the State is owed approximately $144 million under the Settlement Agreement between the Federal Government and the State. The exact final amount of compensation is subject to finalization of the respective equity interests of the Federal Government and Chevron, the co-owners of the Elk Hills field prior to the sale. In accordance with the Settlement Agreement, the Administration as part of the fiscal year 2000 budget held back $26 million from the State's share of the Elk Hills sales proceeds deposited in the Elk Hills School Lands Fund, to provide for any potential downward adjustment in the Federal Government's equity interest. This equity determination process still is being completed, some 6 years after the sale. The State is entitled to return of this $26 million "hold-back" if the final equity determination

leaves the Federal Government's equity interest unchanged. (If the Federal Government's share is increased, the State is entitled to return of the holdback as well as 9 percent of the increase.)

The balance of the Elk Hills School Lands Fund currently stands at $118 million, after subtracting this $26 million "hold-back". Under the terms of the Settlement Agreement, for the sixth installment of Elk Hills compensation due for fiscal year 2004 the State is entitled to half of the balance of the Elk Hills School Lands Fund that remains after the holdback. Thus, the State is entitled to $59 million for the sixth installment. (The remainder of the State's 9 percent share of the Elk Hills sales proceeds is due in the subsequent, seventh annual installment.)

For fiscal year 2004, the Administration has requested an appropriation of $36 million as "a placeholder for half of the estimated balance for years six and seven as required by the settlement agreement until final equity finalization [sic.] is complete." (February 2003 Budget Highlights for the Department of Energy Fiscal Year 2004 Congressional Budget Request, at p. 98). See *Budget of the United States Government—Fiscal Year 2004, Appendix,* at p. 383–384. The Administration's budget request in effect calls for a second "hold-back" that is contrary to the terms of the Settlement Agreement.

The State respectfully requests appropriation of the full $59 million that it is due for fiscal year 2004 as the sixth installment of compensation under the terms of its Settlement Agreement with the Federal Government.

PREPARED STATEMENT OF THE UNITED STATES ADVANCED CERAMICS ASSOCIATION

The United States Advanced Ceramics Association (USACA) is a Washington-based association of major producers and users of advanced ceramic products. USACA is the premier association that champions the common business interests of the advanced ceramic producer and end-user industries.

USACA appreciates the opportunity to provide the United States Senate Appropriations Committee, Interior Subcommittee with our industry's statement regarding the fiscal year 2004 Department of Energy (DOE) budget request for FreedomCAR and Vehicle Technologies, Distributed Energy and Electricity Reliability, Industrial Technologies, and Coal Research Initiatives in the Office of Energy Efficiency and Renewable Energy (EERE) and the Office of Fossil Energy (FE).

USACA Recommends increased Funding for:

—*$41.7 million*.—Materials technologies (freedomcar and vehicle technologies), increase of $2.1M

—*$23.0 million*.—Turbines (coal research, central systems), increase of $10M

—*$43.0 million*.—Fuel cells (distributed generation systems, SECA), increase of $19.5M

—*$16.5 million*.—Fuel cells (distributed generation systems, vision 21 hybrids), increase of $11.5M

USACA Supports the Administration's Request for:

—*$10.7 million*.—Heavy vehicle systems (freedomcar and vehicle technologies)

—*$37.1 million*.—Advanced combustion engines (freedomcar and vehicle technologies)

—*$31.9 million*.—Distributed generation technology development (distributed energy and electricity reliability)

—*$12.7 million*.—Industrial materials for the future (industrial technologies)

—*$12.0 million*.—Materials (coal research initiative, advanced research program)

USACA has a long-standing commitment to promoting the use of advanced ceramics as the foundation for a new generation of high-efficiency and high-performance products for surface transportation, aerospace, defense, energy, and industrial applications. In order to maintain U.S. competitiveness in key areas, increased focus of programs in advanced materials is needed, with joint programs and continuation of the interagency coordination committee recommended for promoting transfer of knowledge at reduced cost.

USACA supports Department of Energy (DOE) programs in distributed power generation, hydrogen, fuel cells, vehicle technologies, industrial technologies and coal research, which will lead our country on a path to energy independence and infrastructure assurance.

FREEDOMCAR AND VEHICLE TECHNOLOGIES

USACA supports an increase over the budget request from $39.6M to $41.7M in this program to provide full funding for the High Temperature Materials Laboratory (HTML). This funding increase for the HTML from $4.0M to $6.1M, representing a $0.5M increase over fiscal year 2003, would support necessary research and devel-

opment of advanced structural, propulsion, and catalyst materials for heavy vehicle and automotive applications which may enable significant fuel cell cost reductions. Under Materials Technologies, USACA supports the administration request for Propulsion Materials Technology ($8.9M) and Lightweight Materials Technology ($26.8M).

High Temperature Materials Lab (HTML) [EE0703].—Over the past 15 to 20 years, the DOE Oak Ridge National Laboratory High Temperature Materials Lab, in conjunction with scientists in the ORNL Metals and Ceramics Division, have been at the forefront of advanced materials R&D. The HTML, through its collaborative programs with industry, national labs and universities has, in our opinion, done the most of any government program in expanding the state of the art of advanced materials. The U.S. ceramics industry enjoys a technological leadership position in part due to these programs. Materials technology, as a direct result of ORNL programs, such as Ceramic Technology Project, and HTML, now has the potential to be successfully incorporated in power, transportation and industrial technologies, as well as other commercial and military applications.

We wish to emphasize the importance of the High Temperature Materials Laboratory, which through its research staff, user center, and fellowship programs, has provided cost-effective but critical support for materials development in energy intensive markets. The world-class materials research facilities at HTML have been particularly vital to assisting small businesses be competitive and technologically innovative. The HTML continues to expand our understanding of high temperature materials, vital for improving efficiencies in transportation, industrial and power generation systems.

DISTRIBUTED ENERGY AND ELECTRICITY RELIABILITY

The electrical power generation and distribution industry is vulnerable to threats to the Nation's energy security. Distributed generation technologies provide opportunity for energy infrastructure assurance. In addition, energy efficiency in both production and end use is becoming more critical to maintaining a growing national economy. Past and continuing technology advances in materials have contributed to the production of improved technologies for energy efficiency. One example of this is DOE EERE Advanced Microturbine Systems, providing distributed power generation typically 30 kW to 1,000 kW. Microturbines are capable of producing electricity more cost effectively at the customer site than the delivered cost of the central station. Advanced microturbine designs, using ceramic components that can operated at hundreds of degrees hotter than metal components, would theoretically boost efficiency from about 25 percent to over 40 percent. Further efficiency improvements are possible utilizing advanced materials concepts in technologies such as fuel cell hybrid systems. Solid oxide fuel cell systems, in particular, will be dependent on advanced ceramics to realize extraordinary power generation efficiencies utilizing high temperature fuel cell/microturbine hybrids. In addition, advanced materials may provide solutions to improve catalysts and hydrogen storage performance.

Currently, gas turbine power is the most fuel-efficient, cleanest, and consumer friendly way to generate electricity. Combined cycle gas turbines provide the highest efficiency and lowest emissions of all combustion generation technology available today (producing twice as much electricity and less than half the CO_2 as compared to existing non-gas-turbine power plants). Turbine systems are cost effective, and can be quickly deployed to meet the country's growing energy needs. The gas turbine industry is currently manufacturing and installing these high-tech power plants across the United States to reduce the cost of electricity, create new jobs, and stimulate investment to support economic development.

However, America's new energy policy goals require dramatic new technology development. The vision of a modern, secure U.S. power generation infrastructure that runs on domestic fuels without harming the environment is achievable, if the Federal government makes a sufficient investment in DOE/industry turbine partnership programs. USACA believes the above funding levels are necessary if our nation intends to realize the public benefits envisioned in our national energy policy.

DOE showed exceptional initiative and foresight in identifying the opportunity for advanced high temperature materials to improve efficiency in turbines, microturbines, and fuel cells. We would like to work with DOE to include greater opportunities for advanced materials research and development in these important programs. The United States is committed to reducing reliance on imported oil. Therefore a diverse energy infrastructure is needed. Program goals in the areas of turbines, microturbines, and fuel cells all seek to contribute to a diverse domestic energy portfolio. Research and development in advanced materials is necessary in order to im-

prove performance, reduce weight, extend equipment life, decrease emissions, increase specific power, and decrease fuel use.

INDUSTRIAL MATERIALS FOR THE FUTURE

The Office of Industrial Technologies (OIT) Industries of the Future (IOF) process has shown that improved materials are a crosscutting need of many industries and one of the keys to cleaner, more energy-efficient and productive manufacturing. The mission of the DOE Industrial Materials for the Future Program is to lead a national effort to research, design, engineer, and test new and improved materials, as well as more profitable uses of existing materials for the Industries of the Future (IOF). Through this program, significant advances have been made in a broad range of advanced materials including ceramics and ceramic matrix composites, in addition to advances made in materials for the Industries of the Future. These same materials have in many cases supported development efforts in gas turbines, fuel cells, reciprocating engines, and vehicle technologies. While the successful application of ceramic materials to industrial applications continues to be limited by their high cost, continued support of the Industrial Materials for the Future program is requested to insure that price-performance targets are ultimately met.

COAL RESEARCH INITIATIVES—HIGH EFFICIENCY ENGINES, TURBINES AND FUEL CELLS

The DOE HEET Program is critical to the President's National Energy Policy (NEP) Clean Coal Technology goal of "low-cost, zero emission power plants with efficiencies close to double that of today's fleet". The DOE/industry HEET partnership will make it possible for power generation equipment manufacturers, as well as systems developers, owners and operators to create the core technology solutions necessary to overcome the complex challenges identified in the NEP report. The HEET Program turbine system efficiency goal is 60 percent for coal-based systems, and HEET turbo fuel cell hybrid systems that offer the potential for unprecedented efficiencies (in excess of 80 percent). The HEET near-zero emission environmental goal translates into systems with no carbon, and negligible NO_X, SO_2, and trace contaminants. The program is also targeting a 15 percent reduction life-cycle cost of electricity generated by gas turbine power plants.

Federal cost sharing is needed to enable successful development technology improvements envisioned under the HEET, and to expedite commercialization of these systems. A $23.0 Million federal contribution to the HEET program in fiscal year 2004 will have a direct impact on the fuel-efficiency, fuel flexibility and emissions levels of America's coal and natural gas fired power plants. Our nation's investment in the HEET program will allow the United States to continue to serve as the world's principal source for clean turbine power generation systems. Added funding is required beyond the Administration's request to fund an Advanced Materials Initiative, with advanced ceramics components likely to be the key enabling technology needed to meet NEP goals. As the leading developer and producer of these clean, fossil-fueled power technologies, the United States can remain the leader of the international effort to lower global power plant emissions levels through technology innovation. Gas turbine equipment manufacturers, as well as systems developers, owners and operators have already indicated strong interest in working with DOE to help reach the HEET program goals. Now, Congress needs to ensure there is adequate fiscal year 2004 federal funding ($23 million) to facilitate a government/industry partnership that successfully allows new HEET technologies to mature in a timely manner.

Fuel cells hold the potential for clean, efficient energy production for both transportation and stationary power applications. While the Administration has recognized their potential and increased funding focused on transportation applications, near term electric power generation fuel cell programs have seen decreases in research funding. USACA recommends increasing overall fuel cell funding to $43 million. Added funding is needed to fully-fund on-going research for next generation, high power density stationary power fuel cell systems (SECA), with advanced ceramics research critical to their success. DOE has identified turbine-fuel cell hybrid systems as a key enabling technology for Vision21 Power Systems. USACA recommends increasing Vision21 fuel cell hybrids funding to $16 million. Added funding will accelerate integration of fuel cell and turbine systems and meeting existing obligations to industry cost-shared programs.

The HEET program, combined with DOE fuel cell program efforts, will lead to the required cost reductions needed to ensure the commercial viability of these hybrid systems. Gas turbine research is necessary to enable the technology to meet the pressure ratios, mass flows, and other critical operating and performance param-

eters of high-temperature fuel cells. Ultimately, the program will culminate with the testing a near-commercial-scale multi MW Vision21 coal-fired hybrid power system.

PUBLIC BENEFITS

DOE gas turbine R&D Programs stimulate economic growth, clean up the environment, and ensure that the United States has a reliable supply of power. Implementation of the next generation of advanced turbine technology R&D programs will accelerate U.S. market restructuring and environmental goals. Armed with new advanced gas turbine systems, the U.S. power supply industry will provide America with the following benefits:

Reliable Power

The United States can have technologies that can operate better in the dynamic restructured market including technologies able to perform "just-in-time" dispatch without operational or environmental penalties. This translates into improved power quality and fewer disruptions in power supply. Distributed generation technologies such as microturbines and fuel cells greatly increases energy security.

Economic Strength through Improved Power Systems

Development and accelerated deployment of advanced turbine power technologies will reduce the cost of electricity, create new jobs, and stimulate investment to support U.S. economic development. The expertise American manufacturers gain in producing these sophisticated technologies positions our companies for success in growing international power generation markets.

Meet Mounting Demand for Increased Power Production Capacity

United States demand for electrical power is expected to increase by nearly 35 percent over the next 20 years. Manufacturing and information technology businesses require reliable power generation, thus dictating the need for DOE's next generation of R&D programs to develop state-of-the-art gas turbines for reliable, low-cost electricity.

A Cleaner Environment

DOE gas turbine programs provide a cost-effective solution for clean power. Advanced gas turbine technologies developed through DOE programs have much higher efficiencies and lower emissions than competing combustion power systems.

Replace Environmentally Deficient, Aging Power Plants

In today's market, only revolutionary, advanced gas turbine technologies provide the economic advantages needed to trigger the accelerated retirement of inefficient, environmentally challenged base-load power plants.

For further information, please contact Karen Miller, Executive Director, the United States Advanced Ceramics Association (USACA) at 202–293–6253, or by E-mail at kmiller@ttcorp.com.

USACA MEMBERS

Amercom/Synterials, Inc; Ceracom, Inc.; COI Ceramics, Inc.; Deere & Company; General Electric Company; UT Battelle, LLC; Saint-Gobain Ceramics & Plastics, Inc.; Siemens Westinghouse Power Corporation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PREPARED STATEMENT OF THE ALASKA NATIVE HEALTH BOARD

The Alaska Native Health Board (ANHB) submits this statement on the fiscal year 2004 Indian Health Service budget. Our fiscal year 2004 Federal Legislative Priorities paper which we gave to the Subcommittees provides more detail than we can include in this four-page testimony. In summary, our fiscal year 2004 IHS budget recommendations are:

—Community Health Aide Practitioner Program—a $7.4 million increase
—Stop the erosion of the IHS budget by fully funding mandatory increases including pay costs, inflation, and population growth ($360 million)
—Staffing packages for the health centers at St. Paul ($1.4 million), Metlakatla ($2.5 million), and King Cove ($1.5 million)
—Funding to complete construction of the health centers at St. Paul and Metlakatla and the Bethel quarters
—Funding for the Barrow Hospital planning and site acquisition ($8 million) and for beginning funding for replacement of the Nome Hospital

—Medevac transportation in Alaska—a $2 million increase
—Patient travel in Alaska—a $2 million increase
—Increase funding for Contract Health Services
—Fully fund contract support costs—$60 million increase
—Support $20 million increase for Sanitation Facilities
—Distribute the Special Diabetes Program for Indians program via the existing formula

Community Health Aide Practitioner Program.—We request a $7.4 million increase for the CHA/P program to be phased in over a 3-year period. CHA/P provides emergency and primary health care for 80,000 Alaska Natives. We request $5 million to increase the number of CHAP positions by 115 FTE's, for a total of 615; $1.5 million to increase the number of field supervisors; $750,000 to increase state-wide CHA/P training capacity; $150,000 for ongoing updates of materials specific to the CHA/P.

Stop the Erosion of the IHS Budget.—Year after year the IHS budget is eroded by the lack of funding to fully meet built-in cost increases, and the Administration's fiscal year 2004 proposal for the IHS is particularly deficient in this area. As evidence of this, the IHS projects that its fiscal year 2004 budget proposal would result in 367,000 less patient visits in fiscal year 2004 than in fiscal year 2003 (IHS Budget, page 29).

The proposal for the IHS Services account is only one percent over the fiscal year 2003 enacted level. This represents a significant erosion of IHS buying power as there is inadequate funding for inflation, population growth and pay raises. Some of that one percent "increase" is in fact the $50 million increase in diabetes entitlement funding and a projected $7 million increase in third party payments. Given the reductions states are making in the Medicaid program, we are concerned about tribal Medicaid collection going down, and are surprised at the projected increase in collections.

According to the IHS budget document, tribes and IHS will have to absorb $114 million in built-in costs in fiscal year 2004. This is only part of the story. The Administration requested only a 2 percent pay raise for civilian employees, even though it is expected that Congress will approve 4.1 percent pay raise. We appreciate that the fiscal year 2004 House and Senate budget resolutions support giving civilian employees the same level of pay raise as is scheduled for military employees and urge the Subcommittee to provide funding to fully meet pay raise and other built-in costs.

We also appreciate the Senate approving an amendment recommending a $292 million increase in the IHS budget, but that should be viewed as a minimum increase. Just to keep IHS Services at their current level would require approximately $360 million increase (inflation, pay costs, population growth, staffing for new facilities).

Medevac Funding.—We request $2 million in recurring appropriations through the IHS for Alaska Native tribal health organizations to meet the escalating costs resulting from FAA requirements for the use of critical care air ambulance services for medical evacuations. This service is critical to the delivery of health care in Alaska. As evidence of that, the Alaska medevac planes were the first medevac services in the nation allowed to resume service following the terrorist attacks of September 11, 2001.

In recent years the cost and number of medevac flights have continued to rise. The Alaska Native Medical Center, for instance, has seen a 30 percent increase in the number of medevac flights in the past four years. During that time the costs increased five fold. A major factor has been changes in the FAA requirements regarding use of critical care air ambulance services for medical evacuations. In many cases now only critical care air services that meet new FAA requirements may transport patients that historically have been arranged on other aircraft (e.g., transport of patients on oxygen).

Other Patient Travel.—Funding for patient travel is a critical component of health care in Alaska. Individual inability to pay for the cost of patient travel, including land, transportation, food and lodging results in persons deferring health care. That, in turn, leads to more severe compilations that ultimately result in increased cost of providing health care. A roundtrip ticket to Anchorage can cost as much as $1,600 from some communities. People may have to make the decision between health care or food, fuel and other basic necessities. We request $2 million in recurring funding for patient travel in Alaska.

Facilities at St. Paul, Metlakatla, Barrow, Bethel and Nome

St. Paul Health Center.—Congress appropriated $5.5 million in fiscal year 2003 for partial construction of the St. Paul Health Center—the Administration had re-

quested $11 million in fiscal year 2003 to complete construction. We ask that Congress provide the remaining amount necessary to complete construction. The present clinic has many documented physical and environmental deficiencies and is much too small to adequately serve the Native and non-Native population. While the clinic serves the approximately 900 permanent residents of St. Paul Island, it also is the sole source provider of health services to 3,000 fishermen during fishing and crabbing seasons. The health clinic is not handicapped-accessible, and hallways and doors are very narrow. There are only two examination rooms. Due to lack of examination space, treatment of patients must also be provided in hallways and in the x-ray room. There is little privacy for patients, and patient confidentiality is difficult.

Metlakatla Indian Community Health Center.—Congress appropriated $306,000 in fiscal year 2003 for construction of the health center for the Metlakatla Indian Community and it also directed that an additional $5 million be made available for this health center from savings from completed health care facilities. We ask Congress to appropriate the necessary amount in fiscal year 2004 to complete construction of the Metlakatla clinic and associated quarters.

Clinic services are currently housed in four modular units that were built in the 1970's. The units are set on pilings and are connected by open, elevated, wooden walkways. The buildings have settled unevenly, posing an unsafe environment for people seeking health services. They continue to re-settle, particularly when freezing and thawing occurs, resulting in cracked walls and other damage. There is an ongoing, and losing, effort to do emergency repairs. Additionally, the facilities are overcrowded and the utility systems are inadequate to support the modernization or updating of medical equipment.

Barrow Hospital (Arctic Slope Native Association) ($8 million).—We request $8 million in fiscal year 2004 funding for the Planning and Site Acquisition phase of the project to replace the Samuel Simmonds Memorial Hospital (SSMH) in Barrow. This critical facility is the only hospital available to residents of an area larger than the State of Washington. The single story wood frame building was constructed in 1965 and most of the major systems in the building are the original equipment. It was designed to meet the requirements of a much smaller population and now provides less than 25 percent of the space needed to provide appropriate medical care for the current population.

The IHS approved the Project Justification Document and a draft Program of Requirements for this project in 1998. The Barrow project would cost $104 million when complete and is currently the fourth priority for inpatient facility construction on the IHS priority list.

Nome Hospital (Norton Sound Health Corporation).—We urge Congress to move forward to advance the projects on the outpatient priority list so that the critical need for an inpatient facility in Nome can be proceed. The Nome Hospital is fifth on the IHS outpatient priority list—the uncertainty with regard to the plans for the facility in Phoenix has unfairly delayed getting IHS funding for the Nome facility and perhaps others who are just below Phoenix on the priority list.

There is an urgent need for replacement or renovation/expansion of the severely overcrowded Norton Sound Regional Hospital. Originally constructed in 1948 and since expanded, the hospital is filled with code violations and safety deficiencies which include unsafe wiring and plumbing, lack of fire sprinkler system, inadequate ventilation, and structural problems due to foundation movement

Bethel Quarters.—We request $5 million for the last year of a four-year quarters construction project.

Staffing Packages for St. Paul Health Center, Metlakatla Health Center, and King Cove Clinic.—We urge funding for staffing packages for new facilities at St. Paul ($1.4 million), Metlakatla ($2.5 million) and King Cove ($1.5 million). Detailed information on these staffing needs have been supplied to the IHS.

Rural Sanitation Funding.—We give special thanks to Secretary Thompson for his support for increasing the IHS sanitation construction budget by $20 million, for a total of $114 million. We believe that the Secretary's visit to rural Alaska was instrumental in his decision to support this increase.

The IHS estimates that it would cost $960 million to meet the current sanitation needs of Alaska Native villages. The future, however, holds challenge as well as promise. For example, providing water and sewer service to the last 16 percent of households will be particularly difficult. In some communities, sources capable of producing even a modest supply of water are not available. In very small communities, it is hard to overcome diseconomies of scale to make water and sewage service affordable.

Resources to support technical, financial, and managerial capacity necessary to operate the systems on an ongoing basis have not been proportionately increased.

Many of the villages with water sanitation projects in place or under construction lack the financial resources to ensure their long-term operation and maintenance. With a limited economic base to pay for user fees, higher costs of shipping and transportation to contend with, and harsh climates and geology, among other mitigating factors, support for operation and maintenance is critical to assuring long-term success of village sanitation projects.

Contract Support Costs.—The Administration has proposed no increase for IHS contract support costs, even though it is expected that new contracts will be entered into during fiscal year 2004. The Senate Committee on Indian Affairs, in its March 11, 2003, letter to the Budget Committee, reports that 25 new or expanded contracts are expected during fiscal year 2004. The estimated unmet contract support costs in fiscal year 2003 was approximately $60 million. We believe that there is a federal obligation to funds these costs.

Diabetes.—We thank Congress for reauthorizing the Special Diabetes Program for Native Americans and Alaska Natives last year. Funding for this program will be $150 million, a $50 million increase over the current year. We ask that IHS not award the new $50 million competitively, but rather that there be consultation with tribes about the use of these funds. Tribes individually need more diabetes funds and we would not want to see to entire $50 million distributed outside the formula. We point out that Alaska has the highest rate of increase in new diabetes cases in Indian country. The rate of diabetes cases in the Mt. Edgecumbe Service Unit increased 81 percent from 1985–1999 (from 22 to 49 per 1,000).

HHS Consolidation and Reallocation Proposals.—We appreciate that Congress rejected in the fiscal year 2003 Appropriations Act the HHS proposals to consolidate maintenance and construction funds, and legislative and public affairs within the office of the HHS Secretary. The fiscal year 2003 Conference Report for the IHS budget specifically requires that HHS proposals to consolidate or realign functions that affect the IHS be implemented through a reprogramming request approved by the Appropriations Committees. Should the Administration push these "one HHS proposals" during fiscal year 2004, we urge that they be rejected as they were in fiscal year 2003.

Thank you for your consideration of our recommendations.

PREPARED STATEMENT OF THE CHOCTAW NATION OF OKLAHOMA

Halito [Hello] from the Choctaw Nation of Oklahoma to the distinguished Members of this Subcommittee and yakoke [thank you] for accepting this written statement prepared by the Tribal Members on the Choctaw Reservation in Durant, Oklahoma.

I would like to take this opportunity to express my sincere appreciation for the military personnel who are away from home and their loved ones. On behalf of my People, I pray that they will have a safe and expedient return to their families and to their Homeland.

The Choctaw Nation of Oklahoma is requesting this Subcommittee consider the following funding priorities in the fiscal year 2004 Budgets for the Indian Health Service and the Bureau of Indian Affairs:

INDIAN HEALTH SERVICE

The BIA and IHS are preparing to re-organize. We are concerned that this will come at the expense of diminishing tribal programs and the delivery of tribal services. Therefore, we ask that the Subcommittee include language directing both the BIA and IHS not to reduce funds appropriated by this Subcommittee to offset Departmental or agency shortfalls, to support reorganization plans, or trust reform initiatives without consulting with Tribal Leadership. This language should be included in future appropriations bills for these agencies;

—Provide $98 million for IHS to fully fund Contract Support Cost (CSC);
—Restore $4.5 million the Indian Health Service (IHS) Office of Tribal Self-Governance;
—Provide $360 million for IHS mandatory, inflation and population growth increase to maintain existing health care services;
—Support the President's budget request for $50 million increase in the Special Diabetes Program for Indians.

JUSTIFICATION

1. $98 million is needed in IHS and an additional $5 million increase is needed in BIA to fully fund CSC. This shortfall continues to penalize Tribes that elect to

operate BIA and IHS programs under the self-determination policy. Further, this shortfall threatens to pit tribe against tribe as mature contractors are asked to absorb all inflationary increases in order to fund new contractors. Additional CSC appropriations are needed to implement the self-determination and self-governance policy as supported by Congress. We urge the Subcommittee to fully fund CSC for Tribes similar to how other contractors are funded within the federal government.

2. In fiscal year 2003, a total of $4.2 million was eliminated from the Office of Tribal Self-Governance within the IHS budget. We believe that this decrease will severely impact IHS's ability to fully implement the provisions of Title V of the Indian Self-Determination and Education Assistance Act, as amended. The IHS Office of Tribal Self-Governance was established in 1996 to advocate and implement the Self-Governance initiative within IHS. There are currently 285 Tribes (51.1 percent of all federally-recognized Tribes) implementing Self-Governance agreements. While the number of Self-Governance Tribes has and continues to increase, the staff and organizational capacity of OTSG has not. Additional funding is needed to increase the OTSG's organizational capacity to meet the legal requirements of Title V and to protect and advance the Self-Governance initiative.

3. The Administration's request of $40 million in fiscal year 2004 is far short of the $360 million needed just to maintain current health care services. These costs are unavoidable and include medical and general inflation, pay costs and staff for recently constructed facilities. IHS and Tribal programs simply cannot afford to continue to lose real resources. Mandatories should be the first consideration in budget formulation. If unfunded, these cost increases will result in further health service reductions in our Tribal communities.

4. As a result of the special Diabetes Program, today there are over 300 diabetes prevention and treatment programs serving American Indians and Alaskan Natives. The funding has allowed Tribal governments to develop and improve wellness centers, establish education programs, and all other activities. It is not only an effective tool in preventing and treating diabetes, but it also provides opportunities to reduce the incidence of diabetes related blindness, amputations and end stage renal disease. We ask that the increase in funding for the Special Diabetes Program does not come at the expense of other vitally important Indian health services.

Yakoke!

PREPARED STATEMENT OF THE COUNCIL OF ANNETTE ISLANDS RESERVE, METLAKATLA INDIAN COMMUNITY

We are writing to you to bring to your attention, once again, our needs with respect to the fiscal year 2004 appropriations.

—$14,511,000 in IHS funds to complete construction of a health clinic and quarters and $2.5 million in health clinic staffing.

—Increased funding for the Alaska Community health aide program, Alaska Medevac services and full funding for IHS contract support.

—$6,000,000 in BIA funds for continuation of the Walden Point Road project.

Health Clinic, Quarters and Staffing.—We are especially concerned that sufficient funding is included in the fiscal year 2004 appropriations to the Indian Health Service facilities account to complete the proposed new Annette Islands Service unit clinic. As you are aware the present clinic is housed in obsolete modular units which are crowded and deteriorating. Construction of the new clinic project has begun with funding provided in fiscal year 2002. In fiscal year 2003 Congress appropriated $306,000 and directed IHS to apply $5 million in savings from other projects to proceed with the clinic on our reservation. We should, therefore, be in a position to complete construction with funding to be provided in fiscal year 2004.

The Administration has requested $14,511,000 for completion of the clinic and eight units of staff quarters in fiscal year 2004. We support this request. We understand that IHS has carried out the instruction of the Congress to make available $5,000,000 in fiscal year 2003 funds for clinic construction. Thus the appropriation for fiscal year 2004 can be appropriately adjusted. We also request an appropriation of $2.5 million to support an increase in staffing of 31 positions. We greatly appreciate the support of your Committee and the Congress for this vital health care project.

Special Health Program Needs in Alaska.—We also support the request of the Alaska Native Health Board for a $7.4 million increase to be phased in over three years to increase the Community Health Aide program in Alaska and we support full funding for the Indian Health Service to cover all built in increases in costs and to keep services at least at their current level. We understand that this would require an increase of $360,000,000.

We urge that Congress provide a $2,000,000 increase to cover the special need for medevac services in Alaska. This is important especially for insular locations such as ours on Annette Island where we have no hospital facilities.

We are concerned that the Administration has requested no additional funding for contract support to enable an estimated 25 new tribal contracts and self-governance agreements to be award in 2004, without diminishing contract support funding available for existing self-governance health services programs like ours. We support full funding for contract support.

We urge that in appropriating additional funding for the special diabetes program the Congress require the Indian Health Service to take account of the relative incidence of diabetes in its various regions and consult with tribes on the appropriate manner of distribution. Our own incidence of diabetes here at Metlakatla is very high.

Walden Point Road.—Under a Memorandum of Agreement, dated November 20, 2000, the Metlakatla Indian Community has worked jointly with the Department of Defense (DOD), the Federal Highway Administration (FHWA), the Bureau of Indian Affairs, and the Alaska Department of Transportation and Public Facilities, on developing the Walden Point Road to alleviate isolation and improve public safety and health care (emergency medical evacuations must now be all by air). The project, when completed, would link Metlakatla to the city of Ketchikan. The project is eligible for funding under 23 USC 101 (a) 12 and is listed on the Indian Reservations Roads Inventory of the Bureau of Indian Affairs (Walden Point Road, Air 7, Sections 30–130 (14.7 miles). The Community is seeking $8,850,000 (based on FHWA cost estimates) to keep this project on track in fiscal year 2004 from the Federal Highway Administration. The Community requests $6,000,000 to continue the Walden Point Road project in fiscal year 2004 from the Bureau of Indian Affairs.

Thank you for consideration of our concerns with respect to the Indian Health Service and Bureau of Indian Affairs appropriations for fiscal year 2004.

PREPARED STATEMENT OF THE HOOPA VALLEY TRIBE

Greetings from the Hoopa Valley Tribe, name is Clifford Lyle Marshall and I am the Chairman of the Hoopa Valley Tribe, which is located in Northern California wilderness, in a beautiful but geologically remote area, economically depressed and with a high rate of unemployment. Our people are struggling with poverty, discrimination and limited access to health care. The Hoopa Valley Reservation was established by an Executive Order in 1864 as a direct result of negotiations for a peace and friendship treaty between the Hoopa People and the United States Government. More recently, it was one of the original ten federally recognized Indian tribes to participate in the Self-Governance Demonstration Project.

THE HOOPA VALLEY RESERVATION DEMOGRAPHICS

144 square miles of reservation territory. The off reservation service area is over 400 square miles. This is a tri-county service area consisting of Humboldt, Siskiyou and Trinity Counties.

—The population (2000) was 2,633

—Native language: Athabascan

—Race: 84.7 percent Native American, 11.9 percent White, and 3.9 percent Other

PERSON LIVING BELOW POVERTY LEVEL (1999)

[Percent]

Hoopa, Families	29.0
Hoopa, Individuals	32.0
Humboldt County, individuals (1990)	12.8
State of California	14.2
National	12.4

HOOPA COMMUNITY HEALTH PROFILE

Disability status (percent):	
21 to 64 years with a disability	22.7
Over 65 years with a disability	54.4

HOOPA COMMUNITY HEALTH PROFILE—Continued

Birth Rate:	
Hoopa	24.7/1000
United States	14.6/1000

Diabetes Health Disparities

—175 current patients diagnosed as diabetic

—700 Children 2–19 years of age at risk of developing adult onset diabetes secondary to obesity

Childhood Obesity is a major health disparity on the Hoopa Reservation. Over 64 percent of the Hoopa Valley Reservation is obese. The National level is 15 percent, the Hoopa Valley Indian Reservation is far over this amount.

The Governing Board and the Executive Leadership at K'ima:w Medical Center conducted a comprehensive analysis regarding the health profile of our community and concluded that many significant and alarming health disparities are growing. Our people are in desperate need of assistance to expand and improve existent services and to create new services. We have a long and strong tradition in delivering healthcare locally. Exporting health services to urban centers would disrupt the continuity of care lifestyle, and would conflict with our cultural tradition and will weaken even further our economical infrastructure. After a careful consideration, the following four priorities were identified as most needed.

Expansion of healthcare access to include 24-hour emergency medical standby.—Our people deserve accessible, prompt and consistent service at the most beneficial and necessary time. By extending our hours we will provide not only better access, also continuity in time comprehensiveness and coordination of care. The cost of increased required staffing and operating extended hours is estimated at $635,868 per year.

Dialysis Center.—Our community has an above average number of diabetic patients on dialysis that we transport three times a week at approximately sixty miles distance. We project that the number of people in need of dialysis will double in the next five years. In order, to start with four stations and expand as needed we estimate the need of $1,400,000.00. This will cover the initial cost of equipment and startup of the service for one year.

Ambulance Expansion.—Our service population is dispersed over 400 square miles, with rugged roads. Maintaining the Ambulance service is critical for transporting patients to K'ima:w Medical Center in Hoopa or to the next hospital. We need to move the Ambulance to a more efficient central location and to replace some of the critical equipments. The total level of funded needed to do this is estimated at $205,000.00.

Expansion of the Field Health and Outreach program.—We provide continuity of care and education at patients home. Part of the service is transporting non-emergent patients to and from K'ima:w Medical Center or to specialty visits in Redding or San Francisco. The CHR service is essential in assisting elderly with home healthcare. The level of funding to expand our service is estimated at $197,000.00 per year.

In order, to increase service to our remote rural area we will need $2,437,668.00 in addition to what we are currently funded. Our American people are confronted with disproportionate incidence of disease and medical conditions, aggravated inadequate funding and worsening economical and social environment. Equalizing care and providing similar health services available to most Americans is our sacred responsibility. Thank you, for your time and consideration, and if you have any questions check out our website at www.hoopa-nsn.gov or call Emmet Chase at (530) 625–4261.

PREPARED STATEMENT OF THE NATIONAL INDIAN HEALTH BOARD

The President's Indian Health Service (IHS) fiscal year 2004 budget request is $2.89 billion, and we are requesting an additional $679 million to boost clinical services, contract health services, facility construction, self-governance programs, and funding to address increased pay act costs, population growth, etc.

The NIHB serves nearly all Federally Recognized American Indian and Alaska Native (AI/AN) Tribal governments in advocating for the improvement of health care delivery to American Indians and Alaska Natives. We strive to advance the level of health care and the adequacy of funding for health services that are operated by the Indian Health Service, programs operated directly by Tribal Governments, and other programs. Our Board Members represent each of the twelve Areas

of IHS and are elected at-large by the respective Tribal Governmental Officials within their regional area.

As we enter the 108th Congressional session, we call upon Congress and the Administration to address the funding disparities that continue to hamper Indian Country's efforts to improve the health status of American Indians and Alaska Natives. No other segment of the population is more negatively impacted by health disparities than the AI/AN population and Tribal members suffer from disproportionately higher rates of chronic disease and other illnesses.

The federal responsibility to provide health services to American Indians and Alaska Natives reflects the unique government-to-government relationship that exists between the Tribes and the United States. The importance of this relationship is reflected in the provisions of Article I, § 8, clause 3 of the United States Constitution, which gives the federal government specific authorities in its dealings with Indian Tribes.

Indian Country has continuously advocated for equitable health care funding. Health care spending for AI/AN's lags far behind spending for other segments of society. For example, per capita expenditures for AI/AN beneficiaries receiving services in the IHS are approximately one-half of the per capita expenditures for Medicaid beneficiaries and one-third of the per capita expenditures for VA beneficiaries. Sadly, the federal government spends nearly twice as much money for a federal prisoner's health care that it does for an American Indian or Alaska Native. The failure of the federal government to provide equitable health funding for American Indians and Alaska Natives reflects a tragic failure by the United States to carry out its solemn Trust responsibility to American Indian and Alaska Native Tribal governments.

The greatest travesty in looking at the deplorable health of American Indians comes in recognizing that the vast majority of illnesses and deaths from disease could be preventable if funding was available to provide even a basic level of care. It is unfortunate that despite two centuries of treaties and promises, over 1.6 million American Indians and Alaska Natives are forced to endure health conditions and a level of health care funding that would be unacceptable to most other U.S. citizens.

The President's IHS fiscal year 2004 budget request is $2.89 billion, an increase of $40 million over the fiscal year 2003 enacted amount for the Indian Health Service. Even if the $50 million increase for diabetes funding is included the budget request is still over $200 million short of what is needed to maintain current services. It is estimated that a $325 million increase is required provide the same level of health care services provided in fiscal year 2003. This amount would be sufficient to cover pay act costs, population growth, etc.

The President's budget includes $114 million for sanitation construction, an increase of $20 million over the fiscal year 2003 Budget Request. This 20 percent increase represents the largest increase provided for sanitation construction in over a decade. This provision and significant increase is applauded and demonstrates the Administration's commitment to providing safe water and waste disposal to an estimated 22,000 homes, an increase of 2,600 over the number of homes served in 2003. Proper sanitation facilities play a considerable role in the reduction of infant mortality and deaths from gastrointestinal disease in Indian Country.

The President's budget request also reflects the $50 million increase in the Special Diabetes Program for Indians funding approved during the 107th Congress. We are grateful to the Administration and Congress for recognizing the success and effectiveness of the Special Diabetes Program for Indians as a tool to reduce the incidence and harmful effects of Diabetes in Indian Country.

Health Facility Construction.—The budget includes a total of $72 million for construction of new health facilities allowing IHS to replace its priority health care facility needs with modern health facilities and to significantly expand capacity at its most overcrowded sites. The request will complete outpatient facilities at Pinon (Navajo Reservation, Arizona) and Metlakatla (Annette Island, Alaska); continue construction of the Red Mesa Outpatient Facility (Navajo Reservation, Arizona) and begin construction of a new outpatient facility to replace the Sisseton hospital (Sisseton- Wahpeton Sioux Tribe, South Dakota). When the Sisseton hospital is closed, IHS will purchase inpatient and emergency care from non-IHS facilities such as the nearby Coteau Des Prairies hospital.

Pay Costs.—The budget includes an additional $35 million to cover increased pay costs for IHS's 15,021 FTEs and to allow tribally run health programs to provide comparable pay raises to their own staffs.

The budget documented the IHS health care funding needs at $18.2 billion. President Bush's proposed appropriation of $2.89 billion falls well short of the level of

funding that would permit Indian programs to achieve health and health system parity with the majority of other Americans.

Failure to adequately increase the Indian Health Service clinical services budget will force numerous Tribal health providers to cut back services, worsening the plight of an already severely at-risk population and jeopardizing greater public health. Staff cuts would also result, increasing waiting periods to get appointments, as well as reducing clinic hours. Also, without adequate funding, several successful programs throughout Indian Country would have to be eliminated, such as patient outreach, nutritional programs, preventive care, referral services, dental and optometric services.

Funding for the Indian Health Service has failed to keep pace with population increases and inflation. While mandatory programs such as Medicaid and Medicare have accrued annual increases of 5 to 10 percent in order to keep pace with inflation, the IHS has not received these comparable increases. Current Indian Health Service funding is so inadequate that less than 60 percent of the health care needs of American Indians and Alaska Natives. We request that an additional $292 million, which represents an additional 10 percent over the President's request, be provided to the Indian Health Service to address medical inflation, currently at a rate of 12 percent.

As we have carefully reviewed the President's fiscal year 2004 IHS Budget Request, several provisions would seriously affect the agency's ability to carry out its responsibilities pertaining to the health and welfare of American Indians and Alaska Natives. Below, I will briefly discuss several of these provisions.

The President's Budget Request includes $493 million, which provides an additional $25 million or 5 percent increase over the previous year's request, for Contract Health Services. The documented need for the Contract Health Service Program in Indian Country exceeds $1 Billion. At present, less than one-half of the CHS need is being met, leaving too many Indian people without access to necessary medical services. We recommend an increase of at least $175 million, which would raise American Indian and Alaska Native tribes to approximately 60 percent of need.

The President's fiscal year 2004 Budget Request includes $271 million, the same as the fiscal year 2003 enacted budget, to support tribal efforts to develop the administrative infrastructure critical to their ability to successfully operate IHS programs. Tribal governments continue to assume control of new programs, services, functions, and activities under Self-Determination and Self-Governance, therefore additional funding is needed. Tribal programs have clearly increased the quality and level of services in their health systems fairly significantly over direct service programs and failing to adequately fund Contract Support Costs is defeating the very programs that appear to be helping improve health conditions for American Indians and Alaska Natives. We recommend an additional $150 million to meet the shortfall for current contracting and compacting.

According to the President's fiscal year 2004 Budget, the number of tribally managed IHS programs continues to increase, both in dollar terms and as a percentage of the whole IHS budget. Tribal governments will control an estimated $1.6 billion of IHS programs in fiscal year 2004, representing 53 percent of the IHS's total budget request. Because of this, it is critical that funding for self-governance be provided in a manner reflective of this. Therefore, we feel it is necessary to provide $12 million funding over and above the proposed amount of $12 million. The enacted fiscal year 2003 budget cut the office of Self-Governance funding by 50 percent without any notice to tribes.

The President's budget includes savings of $31 million from administrative reductions and better management of information technology. The IHS proposes to achieve these savings primarily by reducing the use of Federal staff. IHS also plans to reduce administrative costs and to achieve efficiencies through the development, modernization and enhancement of IHS information systems.

The National Indian Health Board and Tribal governments have long been concerned about "cost-saving" provisions contained in the President's Budget Request, both in fiscal year 2003 and fiscal year 2004. The result will be the elimination of potentially hundreds of full-time staff at the headquarters and area levels, which would add new burdens to the provision of health care to American Indians and Alaska Natives, rather than addressing the widespread health disparities throughout Indian Country. We feel it is appropriate that the President's Management Initiatives not be implemented until Tribal governments have the opportunity to develop feasible alternatives.

The President's fiscal year 2004 budget request for the Department of Health and Human Services (DHHS) reflects the priorities of the United States with regard to health and safety concerns relating to Homeland Security. It reflects the Adminis-

tration's commitment to anticipating future threats to America's public health care, health infrastructure and human services systems. It is important to note that, along with the Department of Defense and Veteran's Affairs health systems, the Indian Health Service occupies a unique position within the Federal government as a direct health care provider. Therefore, we are requesting $50 million be added during fiscal year 2004 to help the Indian Health Service, the Bureau of Indian Affairs and Tribal governments prepare for and respond to potential terrorist attacks, including increases for Data Systems Improvements and much needed funds to expand the capacity of tribal epidemiology centers.

On behalf of the National Indian Health Board, I would like to thank the Senate Appropriation Committee—Interior subcommittee for its consideration of our concerns as we strive to improve the health of American Indian and Alaska Native people. If we are ever to reduce the terrible disparities between the health of American Indians and Alaska Natives compared to other Americans, we need to properly fund the Indian Health Service and we urge Congress to significantly increase IHS funding for fiscal year 2004. IHS and the Tribes are continuing to work diligently to develop health systems of sufficient quality and with levels of services that our people desperately need.

CULTURAL AGENCIES

PREPARED STATEMENT OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

On behalf of the Institute of American Indian and Alaska Native Culture and Arts Development (IAIA), our Board of Trustees, students, faculty, staff and entire community, we express our enormous gratitude for the Subcommittee's past commitment to IAIA. Federal appropriations are crucial to the operations, continued success and development of the college and museum.

SUMMARY OF REQUEST

IAIA is authorized under Public Law 99–498. Herein, we respectfully submit our fiscal year 2004 request, a total of $9.25 million to be allocated as follows:

—$5.25 million, as supported in the President's fiscal year 2004 Request, for strengthening operations as IAIA continues to mature into a four-year postsecondary institution and prepares for its first accreditation assessment of new four-year programs; and,

—$8 million for capital construction, phased in with $4 million in fiscal year 2004 and $4 million in fiscal year 2005 to meet an $8 million federal matching requirement of the W.K. Kellogg Foundation for the development of an international American Indian, Alaska Native and indigenous lifelong learning center.

INTRODUCTION

IAIA, originally established in 1962 by Executive Order of President John F. Kennedy, has produced most of North America's most illustrious contemporary Indian artists. Founded as a Bureau of Indian Affairs (BIA) high school, IAIA's path has been one of steady evolution—from a unique high school, sharing quarters with Santa Fe's old Indian School, to a federally chartered four-year college, building its own campus and operating the American Indian Arts Museum—a cultural jewel in historic Santa Fe, NM.

The Institute's founders championed freedom of expression for American Indian artists. Stereotypes were dispelled through bold creative expression and for the first time, Indian artists set their own artistic standards, becoming empowered by their own voices. From this vision, the contemporary Indian art movement was born, enriching Indian and non-Indian cultures alike, aesthetically and economically. The Institute's success is firmly grounded in the empowerment of American Indian and Alaska Native people in their pursuit of higher education, economic self-sufficiency, and the continued expression of their artistic creativity and cultural traditions.

IAIA's history has not always been an easy path. The past decade in particular presented many difficulties due to leadership turnover and severe cuts in federal appropriations. Important programs were eliminated, student enrollment suffered and the college endowment was severely depleted. As a result, accreditation was threatened.

IAIA is still working to rebuild its former strength. Through dedicated effort it has emerged stronger and more determined than ever and has won the hearts of

many. A stronger working relationship with Congress and the OMB has been established, along with a focused concentration on private sector fundraising. Undertaking a design and build process as monies were raised for new campus construction allowed the Institute to celebrate a grand opening of its new campus in 2000. In 2001–2002 another historic landmark was reach—IAIA became a four-year college and was granted accreditation from the North Central Association of Colleges and Schools to offer Bachelor's degrees in Museum Studies, Creative Writing, Studio Arts, and Visual Communications. In 2002, IAIA celebrated its 40th Anniversary and gained national accolades for its history, enormous contributions to the larger society, and most importantly, its impact on the thousands of Native students it has served.

KEY FACTS RELEVANT TO FEDERAL FUNDING.

Charter.—IAIA is federally chartered by Public Law 99–498. This law affirms and acknowledges that Native art and culture are critical to the nation as a whole and, consequently deems it appropriate and even essential for the federal government to support IAIA in advancing the preservation and promotion of Native arts and cultures.

Mission.—With IAIA's unique authority and charter, its mission is to serve as the national center of research, training, language and scholarship for Native Americans and Alaska Natives, dedicated to the study, creative application, preservation and care of our Native arts and cultures. The primary goal of IAIA is to enhance knowledge and understanding of the cultural traditions of American Indians and Alaska Natives with a special focus on traditional and contemporary Native art. To this end, it provides a culturally based curriculum that combines professional skills development with an integrated liberal arts education.

Funding.—As a national postsecondary institution, IAIA operations are funded through direct federal support and a diversified private sector approach to foundations, corporations, tribes, and individual donors. It does not receive state support for operations or student aid.

Governance.—IAIA is governed by a board of trustees appointed by the President of the United States and confirmed by the Senate, a majority of which must be of American Indian and Alaska Native descent.

Educational Goals.—IAIA's educational goals are to: recruit and admit qualified American Indian and Alaska Native students and provide them with a Native-centered arts education—graduate students from the degree programs with demonstrated artistic and academic competency—focus on the needs of the individual student by providing an environment that encourages independent work, personal growth and professional development—strengthen cultural identity—and provide awareness of community and cultural diversity.

Museum.—IAIA's enabling legislation also authorizes funding to the IAIA Museum and specifies its dual purpose of education and presentation. Its facilities and collections provide hands-on training for students and faculty and serve as an outlet to showcase exemplary work and ongoing connections with alumni. It provides the Institute with a highly visible venue for public relations, education, and outreach efforts, attracting over 50,000 visitors annually. It also houses 6,500 pieces, comprising the National Collection of Indian Contemporary Art and valuable artifacts from BIA collections.

Campus.—The Rancho Viejo Partnership, Ltd. donated 140 acres to IAIA for the establishment of the college's permanent campus. IAIA developed the land infrastructure for site development and created an impressive master campus plan. The first phase of the new campus, which is nearly complete, includes several buildings: Academic and Administration, Cultural Center, Student Housing, Student Life Center, Facilities and IT Management, and the Library and Technology Center.

Student Body.—IAIA's diverse student body represents virtually every state in the country. Over the years, IAIA has enrolled and graduated almost 4,000 members of the 558 federally recognized tribes. The student population is 90 percent American Indian and Alaska Native. It is relatively young in comparison to other tribal college student populations. The majority is need-based, reside on campus, and experience phenomenal personal and professional growth from the holistic framework and relevancy of the curriculum. Graduates become renowned artists or highly respected professionals in tribal communities and mainstream society.

Tuition.—IAIA's tuition rates are similar to other community colleges in the Santa Fe area, but is strongly committed to assisting its student body access federal and private sources of financial aid.

Performance Measures.—The college is assessed regularly by mainstream accreditation review committees and meets strict evaluation standards. It has achieved

dual accreditation as a Fine Arts College by the North Central Association of Colleges and Schools and the National Association of Schools of Art and Design.

Community Support.—IAIA is strongly supported nationally by tribes and Indian education and tribal organizations. This budget request has the unanimous support (by resolution) of the American Indian Higher Education Consortium, the All Indian Pueblo Council, the National Congress of the American Indian, and the National Indian Education Association.

Budget Justifications

After many years as a two-year college, the Institute is now transitioning into a four-year college of higher learning. It is in the process of fully developing a range of arts and culturally based degree programs in art, design, media arts, and digital communications. Along with this successful growth it is critical to recognize the challenges and additional associated costs, as reported to you in our budget requests for fiscal year 2002 and fiscal year 2003. Actual costs of core operations, imperative to the four-year designation, were not addressed in the fiscal year 2003 budget. Through the implementation of an aggressive fundraising campaign, aimed at individuals, corporations, tribes, and private foundations, IAIA has increased its private sector donations. However, serious challenges exist due to the downturn in the economy and stock market, both of which have resulted in substantial investment losses for the philanthropic community.

However, even with diversified and additional private support, it has not been enough to adequately supplement federal appropriations in addressing "actual" costs of operations at the Institute. This has forced IAIA to absorb the difference internally, posing serious implications for the overall health of the Institute and placing additional burdens on an already stringent core budget and over-stretched staff. Staff and faculty have not received cost of living increases over the past three years. Program budgets have been reduced by over 10 percent annually and existing staff and faculty are absorbing additional responsibilities. This is causing burnout, high staff turnover, and a depletion of IAIA's reserve/endowment fund, ultimately weakening core infrastructure and budget stability. Consistent funding streams and stable core operations are imperative to maintaining accreditation standing and essential to continued progress and success. This situation must be addressed before the next accreditation review in 2004. Our budget request represents the minimum amount necessary to address infrastructure needs, stabilize operations and meet other accreditation standards and criteria.

Continuing Education Lifelong Learning Center

The emergence of adult learners as a major constituency in American higher education has been one of the most dramatic changes in the United States in the past 25 years. Since the 1970s, major commissions have been established to examine lifelong learning. Their recommendations and findings present significant research and evidence, which have led to a national education agenda with a high priority on comprehensive lifelong learning. As a result, the Kellogg Foundation has established continuing education centers throughout the world, demonstrating their commitment to creating comprehensive lifelong learning models across all levels and groups of people. However, while Native populations have not been considered in this dialogue or agenda, they have some of the highest educational needs in this country.

Through a competitive process the W.K. Kellogg Foundation recently selected IAIA as the designated site for the very first continuing education center to serve American Indian, Alaska Native and indigenous peoples worldwide. Planning, construction and development costs are projected at $22 million. The Kellogg Foundation awarded IAIA a lead gift of $2 million for planning, which requires a federal match of at least $8 million for an additional $8–10 million award from the Foundation. Federal cooperation is essential to the success of this initiative. It will exemplify a national model of excellence in reaching the primary goal of President Bush's Executive Order on Tribal Colleges and Universities—federal and private engagement in supporting American Indian higher education. The Institute is fully committed to planning for the sustainability of the Center and diversifying initial construction and start-up costs by engaging private, federal, state, and tribal partners, as the following chart specifies:

BREAKDOWN OF FUNDRAISING GOALS

[In millions of dollars]

Kellogg Initial Planning Award and Lead Gift	2
Federal Sector	8

BREAKDOWN OF FUNDRAISING GOALS—Continued

[In millions of dollars]

New Mexico State Legislature	2
American Indian Tribes	2
Kellogg Matching Award	8
Total	22

We have shared information about the Center with the key leaders in the Congress, federal agencies, White House, New Mexico State Legislature, and tribes, indigenous communities, organizations, and other potential national and international partners. The response has been incredibly favorable, as there is a collective vision that the Center will allow for an exponential increase in quality lifelong educational opportunities for our people and indigenous populations across the world. Our goal is to ensure that the Center will empower and better equip Native people to take their rightful positions in all aspects of the changing global society.

CONCLUSION

Last year IAIA celebrated 40 years of artistic excellence. Through a tireless dedication of IAIA's staff, faculty, trustees, as well as the critical support of President Bush, Congress, foundations and many individuals, we have achieved great things. This success has positioned the Institute to truly become a nationally prominent, internationally respected four-year institution of higher education. We appeal to you to provide the necessary support to IAIA's hard-earned momentum. The federal resources specified in our budget request are essential to the future of the Institute of American Indian Arts. Thank you for your serious consideration and continued support.

PREPARED STATEMENT OF THE AMERICAN ASSOCIATION OF MUSEUMS

Chairman Burns, Senator Dorgan and distinguished members of the Subcommittee, the American Association of Museums (AAM) is pleased to submit testimony concerning the fiscal year 2004 budgets of the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH).

The American Association of Museums (AAM), headquartered in Washington D.C., is the national service organization that represents and addresses the needs of the broad range of the museum community to enhance their ability to serve the public. AAM disseminates information on current standards and best practices and provides professional development for museum professionals to ensure that museums have the capacity to contribute to life-long education in its broadest sense and to protect and preserve our shared cultural heritage. Since it's founding in 1906, AAM has grown to more than 15,800 members across the United States—over 10,000 individual museum professionals and volunteers, nearly 3,000 institutions, and 2,300 corporate members.

The museum community has enjoyed a positive and productive working partnership with both the NEA and NEH for many years. Whether they have worked in conjunction with the Institute of Museum and Library Services or on their own, the contributions of the NEA and NEH to the vitality of America's museums and the public services they provide to our communities can not be underestimated. These two agencies have provided invaluable support to America's museums since their inception, and we fully support them and the good work they do for the American people.

Consequently, we view the proposed fiscal year 2004 budgets for the NEA and NEH with a mixture of optimism and disappointment. We appreciate the Administration's strong support for the National Endowment for the Humanities and fully support the President's request of $152 million for NEH in fiscal year 2004 but we are disappointed by the decision to keep NEA funding essentially flat at $117.5 million.

As the committee knows, the core of the NEH request is an increase of $25 million to expand a special initiative begun last year entitled We the People. We fully support this initiative which is designed to advance understanding of American history, culture, and civics. We believe, however, that the arts are as integral to American history, culture and civics as the humanities and we are disappointed the administration chose not to reinforce the power of *We the People* by providing addi-

tional funds to the National Endowment for the Arts to help broaden public access to and understanding of our rich artistic heritage as well.

We recognize that we are in the midst of a national crisis both at home and abroad and that difficult budget decisions need to be made, but we urge the committee to consider the economic, educational and social return even a modest increase in the federal investment in the arts and humanities would bring to the people we all serve.

It would be incorrect to suggest that artistic and cultural events would cease without funding from the federal government. However, we are convinced that America would not have the rich, diverse and vibrant artistic community we have in this country if it were not for the support both large and small organizations have received from the NEA over the last 35 years. The recognition that comes from being awarded NEA grant funding is invaluable to an organization. It helps them leverage additional private support—NEA requires grant recipients to match all awards up to a ratio of four to one—that allows organizations to continue to grow and mature long after the federal money is gone. Dollar for dollar, private funding simply cannot match the impact of even a modest amount of government funding. Even leaving aside the educational and social value of strengthening the federal investment in the arts, both of which are substantial, the economic value speaks for itself. The nonprofit arts industry alone generates $53.2 billion annually in economic activity, supports 2.09 million jobs and returns $5.6 billion to the federal government in income taxes. NEA seed money has helped make this possible.

In his testimony before the committee on March 13, NEA Chairman Dana Gioia stated that one of his five primary goals for the NEA was to "reclaim its leadership role in American culture." He said, the Endowment:

". . . must enter a new era, confident of its civic responsibilities in a society overwhelmed by commercialized electronic mass entertainment. The NEA must enlarge the conversation of American public life to include the arts. It must promote, preserve, and celebrate the best of our culture, old and new, classic and contemporary. It must reacquaint America with its own best self."

For, as he so rightly put it, "nothing less is worthy of our nation."

A budget of $170 million would enable the NEA to take important strides towards reclaiming its leadership role and expand its ability to support and promote creativity in the arts in America. In addition, a $170 million budget allows the endowment to fully fund the Challenge America initiative. By fully funding this initiative, the Arts Endowment can use the program's vast potential through grants for arts education, youth-at-risk projects, cultural preservation, community arts partnerships and improved access to the arts for all Americans, to use the strength of the arts to enhance America's communities.

Mr. Chairman, the simple fact is that culture is what defines, builds and binds our communities. In cities and towns across America one finds numerous examples of arts, culture and the humanities being used as educational tools, economic engines, sources of civic pride, and catalysts for fostering a greater sense of community identity and multicultural understanding. To ensure that America continues to have a strong, vibrant, and viable artistic and cultural community that future generations can enjoy and learn from tomorrow requires a prudent and forward thinking investment in our artistic and cultural institutions today. We ask the committee to make that investment and support a budget of $170 million for the NEA for fiscal year 2004.

We also ask the committee to support the administration's request of $152 million for the National Endowment for the Humanities. The NEH plays an important role in the American experience. In fact, the humanities are essential to democracy. They are the basis for reasoned discourse and make possible the shared reflection, communication, and participation upon which democratic society depends. In his testimony to the committee on March 13th, NEH Chairman Bruce Cole made a very compelling case for supporting the NEH's budget request for fiscal year 2004. He said:

"At this critical time, it is urgent that Americans understand the principles, events, and ideas that have defined our past and shape our future. Democracy, unlike other forms of government, is not self-perpetuating. Its principles and practices must be cultivated in order to be transmitting and sustained."

Yet numerous studies and reports show that students in K–12, and even college, have a poor, or at best confused, understanding of our nation's history and the ideals and principles of democracy upon which it was founded. The NEH is well positioned to help redress these deficiencies.

The NEH is the largest single funder of humanities programs in the United States, enriching American intellectual and cultural life through support to museums, archives, libraries, colleges, universities, state humanities councils, public television and radio, and to individual scholars. Continuing this support is critical to addressing the nation's future needs in education. With more than two-thirds of our nation's K–12 curriculum dedicated to the humanities, including subjects such as reading, literature, history and civics, continuing this support is crucial to addressing our nation's needs in education and correcting the problem of "American amnesia" as Chairman Cole put it.

NEH's impact, however, reaches beyond the classroom and lecture hall by engaging the public in the humanities through exhibits in museums, libraries, and historical organizations; the varied programs of the state humanities councils and a variety of other activities. In a recent national public opinion survey, almost 9 out of 10 Americans (87 percent) said museums are one of the most trustworthy sources of information among a wide range of choices. This high level of trust can in part be attributed to the careful research that goes into developing museum exhibitions and programs. NEH grants, in addition to being invaluable in supporting efforts to preserve and protect our vast cultural, historic, and artistic resources held in trust for the American people in our museums, are also invaluable in supporting efforts to research those treasures and put them into historical context. An object or artifact without context tells no story and teaches nothing.

As with the NEA, a modest investment through the NEH produces rich dividends. NEH seed money for high quality projects and programs, and NEH's reputation for scholarly excellence, leverages millions of dollars in private support for humanities projects and brings the humanities alive for millions of Americans each year—from the youngest students to the most veteran professors to men and women who simply strive for a greater appreciation of our nation's past, present, and future.

Federal support for the humanities has historically received bipartisan support in Congress, from the Endowment's creation in 1965 to the present day. Every American President has said that the humanities play an essential role in American life and are worthy of federal support and this administration is no exception, as evidenced by their strong support for the We The People initiative. We strongly support this program and the NEH in general and ask the committee to fully fund the administration's budget request of $152 million for fiscal year 2004 for this extremely valuable agency.

Mr. Chairman, we firmly believe that the NEA and the NEH are both wonderful resources and leaders for the American people in their respective areas. The museum community is proud to partner with both agencies to provide high quality programs and services for the people we all serve.

The NEA and NEH are not the same entities they were almost a decade ago. The agencies have reformed and refocused their programs on serving public and community needs. It is the time to reward these efforts and give the Endowments the resources to fully embrace this new phase of their history, particularly at a time when all Americans need to understand the principles of their own and others' cultures in greater depth. Additional funding would enable the agencies to enhance and increase their public service activities as well as expand the reach of new and innovative programs and help the agencies rebuild their technology and internal administration after years of essentially stagnant budgets.

We of course recognize, Mr. Chairman, that you and your colleagues are under intense pressure to balance the funding needs of the many worth programs under your jurisdiction. We would ask you though to consider carefully the good work being done by the NEA and NEH for the American people and do what you can to fund these urgently needed increases.

PREPARED STATEMENT OF AMERICANS FOR THE ARTS

Americans for the Arts is pleased to submit written testimony to the Senate Appropriations Subcommittee on the Interior in support of fiscal year 2004 appropriations for the National Endowment for the Arts at an increased funding level of $170 million, with the increase used to support the creation, preservation, and presentation of the arts and for the Challenge America initiative.

Americans for the Arts is the nation's leading nonprofit organization for advancing the arts. With a 40-year record of objective arts industry research, it is dedicated to representing and serving local communities and creating opportunities for every American to participate in and appreciate all forms of the arts.

Local arts agencies comprise our core constituency. As important grantees of the National Endowment for the Arts (NEA), local arts agencies are entrusted public

stewards of government funds for the arts. An increase in funding for the NEA means more grants for local arts agencies to utilize as they increase Americans' access to the arts at the local level and improve communities by stimulating economic development and improving community life. An increase in NEA funding would create increased funding for local arts agencies to continue their vital role in community building.

LOCAL ARTS AGENCY TRENDS—THE KEY TO COMMUNITY DEVELOPMENT THROUGH THE ARTS

A local arts agency is a private community organization or local government agency that supports cultural organizations, provides services to artists or arts organizations, and/or presents arts programming to the public.

For 15 years, local government arts funding has been growing steadily, staying ahead of inflation and even showing growth during the recession years of the early 1990's. This year, however, we saw the first aggregate decrease in local government funding for the arts in more than 15 years, to an estimated $771 million—a drop of about 3.5 percent.

Local arts agencies continue to expand the role of the arts in their communities by using the arts to address social, educational, and economic development issues. Nearly all of them collaborate with community organizations or local government agencies to integrate the arts more fully into their community and to assist those agencies in achieving their missions, e.g., economic development departments to develop cultural districts, chambers of commerce to attract new businesses, parks and recreation departments to create after-school programs, convention and visitor bureaus to increase cultural tourism, and police departments to prevent crime.

Arts & Economic Prosperity

In 2002, Americans for the Arts released the results of a national economic impact study measuring the nonprofit arts industry in 91 American communities during 2000–2001. The diverse communities range in population (4,000 to 3 million), geography (Anchorage to Miami), and type (rural to large urban). Local arts agencies-public and private organizations working to increase community access to and participation in the arts-served as local research partners, collecting detailed expenditure data from 3,000 nonprofit arts organizations (full range from theater to museums) and 40,000 audience members. The project economists, from the Georgia Institute of Technology, customized input/output analysis models for each of the 91 communities to provide specific and reliable economic impact data about their nonprofit arts industry.

The Arts & Economic Prosperity study documents in unprecedented scope and detail the key role played by the nonprofit arts industry in strengthening our nation's economy. It dramatically alters the perception that the arts are luxuries—worth supporting in prosperous times but hard to justify when the economy is struggling. At a time when governments at all levels are making tough budget choices, this study sends an important message—that support for the arts does not come at the expense of economic development. In 1994, Americans for the Arts published its first economic impact study and the results from that study became the most frequently used statistics in Congress and other arenas to demonstrate the value of the arts to our communities, our states, and our nation. In 2000, we set out to update those numbers with a new and larger study. Not only did we want to measure the impact of spending by nonprofit arts organizations, but also to quantify the economic impact of event-related spending by their audiences.

By all measures, the results are impressive. The nonprofit arts industry generates $134 billion in economic activity every year—$53.2 billion in spending by arts organizations and an additional $80.8 billion in event-related spending by arts audiences. This economic activity has a significant national impact. This economic activity supports 4.9 million full-time equivalent jobs—a greater percentage of the U.S. workforce than is employed as accountants, lawyers, physicians, or computer programmers. America's nonprofit arts industry also generates $24.4 billion in federal, state, and local government revenues combined annually. By comparison, federal, state, and local governments collectively spend less than $3 billion on support for the arts each year-a financial return of more than 8-to-1.

Growth of the Nonprofit Arts Industry since 1994

The nonprofit arts are a growth industry in the United States. Spending by arts organizations increased from $36.8 billion in 1992 to $53.2 billion in 2000 (45 percent).

Measuring Ancillary Spending of Nonprofit Arts Audiences

The nonprofit arts, unlike most industries, leverage significant amounts of event-related spending by their audiences. Attendance at arts events generates related commerce for local businesses such as hotels, restaurants, and retail stores. For example, when patrons attend a performing arts event, they may park their car in a toll garage, purchase dinner at a restaurant, eat dessert after the show, and return home and pay the babysitter. This spending generated an estimated $80.8 billion of valuable revenue for local merchants and their communities in 2000—an average of $22.87 per person, per event, not including the price of admission.

Cultural Tourism: Out-of-Towners Spend More

In addition to spending data, survey respondents were asked to provide their home zip codes, enabling researchers to determine which attendees were local (i.e., reside within the county in which the event occurred) and which were non-local (reside outside the county). Local attendees spent an average of $21.75 per event, while non-local attendees spent $38.05 per event (74.9 percent more). As would be expected, travelers spent significantly more in the categories of lodging, meals, retail, and transportation. These data demonstrate that when a community invests in the arts, it stands to harness significant economic rewards.

NONPROFIT ARTS ATTENDEES SPEND AN AVERAGE OF $22.87 PER PERSON

[Not Including the Cost of Admission]

Category of expense	Resident [1] attendees	Non-resident [1] attendees	All arts attendees
Meals and Refreshments	$9.99	$15.12	$10.33
Souvenirs and Gifts	3.49	4.01	3.51
Transportation	2.39	5.74	2.63
Overnight Lodging (one night only)	2.13	7.80	2.55
Other	3.75	5.38	3.85
Total Per Person Spending	21.75	38.05	22.87

[1] Residents live in the county in which the event took place; non-residents live outside the county.

When governments reduce their support for the arts, they are not cutting frills. They are under-cutting a nonprofit industry that is a cornerstone of tourism and downtown revitalization. When governments increase their support for the arts, they are generating tax revenues, jobs, and the creative energies that underlie much of what makes America so extraordinary.

This message is equally important for the private sector to hear. The nonprofit arts, unlike most industries, leverage significant event-related spending by their audiences, with non-local audiences spending 75 percent more than their local counterparts. The arts attract visitors downtown and extend the business day: restaurants add dinner service, garages stay open until midnight, and stores draw more customers.

When we hear talk about reducing support for the arts, we should ask: Who will make up for the lost economic activity? Who will attract tourists to our community? Who will vitalize our downtowns seven nights per week? Who will provide the 8-to-1 return on investment that the arts provide to federal, state, and local treasuries? Who will replace the jobs that the arts support? The expression, "the arts mean business," is an economic reality that can no longer be dismissed.

Impact of NEA Grants on the Economy

Federal arts grants administered by the National Endowment for the Arts are required to be matched by the private sector or with state and local government funds. As a result, NEA grants help leverage additional funds, which significantly contribute to our nation's robust economic nonprofit arts industry. NEA's matching requirement also provides incentives for state and local governments, as well as private donors, to maintain or increase their level of funding support.

As important NEA grantees, local arts agencies are key local partners to the federal government in improving community life, from offering after-school arts education programs to generating economic development through increased tourism, urban renewal, and attracting new businesses. We urge this subcommittee to make a commitment to support community building and to secure the economic growth of the nonprofit arts industry by appropriating $170 million for the National Endowment for the Arts.

PREPARED STATEMENT OF THE ASSOCIATION OF AMERICAN UNIVERSITIES, THE AMERICAN COUNCIL ON EDUCATION, NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

The Association of American Universities, the American Council on Education, and the National Association of State Universities and Land-Grant Colleges appreciate this opportunity to submit for the record testimony in support of the National Endowment for the Humanities (NEH). Through our combined memberships, our associations represent virtually all of the public and private research universities in the country—institutions that educate large numbers of the nation's undergraduate and graduate students and conduct the bulk of the country's basic research and scholarship. We respectfully request that the Subcommittee provide the President's request of $152 million for NEH in fiscal year 2004.

The fiscal year 2004 request represents an increase of $27.1 million (21.6 percent) over fiscal year 2003 and would be the first significant increase in over a decade. The increase would be dedicated to the "We the People" history initiative announced by the President on September 17, 2002. The goal of the initiative is to deepen Americans' knowledge and understanding of our national heritage. Because all divisions and programs would be eligible to participate in the initiative, more funds would be available for ongoing core programs—a goal long supported by our three associations. The "We the People" initiative will also involve an expansion of the NEH Summer Seminars and Institutes program, and enhanced support for American Editions and Reference Works, fundamental scholarly resources for understanding our identity as a nation.

Given current world events and the war on terrorism, it is more important than ever that Americans have a good understanding of history. Several surveys over the last few years have emphasized both students' and the public's lack of knowledge about our nation's history.

—A recent National Assessment of Education Progress test found that more than half of high school seniors thought that Germany, Italy or Japan was our ally in World War II.

—A Columbia Law School survey found that 35 percent of voting-age Americans thought that Karl Marx's dogma, "From each according to his ability, to each according to his needs," was in the United States Constitution. Another 34 percent responded that they weren't sure.

These findings highlight the need for the "We the People" initiative. University students all too quickly become working young adults, and their assumptions and attitudes are carried over into society at large. As NEH Chairman Bruce Cole has stated, "The principles of democratic self-government cannot be affirmed unless they are understood and remembered. Surely we diminish our young people's lives and weaken our nation if students do not learn how the society in which they live came to be."

Many of NEH's projects support efforts to preserve and expand our knowledge and understanding of our history and culture. Such projects are unlikely to be funded by any single state or institution because of their scale and magnitude. Only an agency like NEH, with its federal funds and broad vision can support such projects, which include bibliographies, encyclopedias, and the preservation of papers of great leaders, such as presidents George Washington, Ulysses S. Grant, and Dwight Eisenhower, and the papers and writings of Frederick Douglass, Benjamin Franklin, Elizabeth Cady Stanton, Lewis and Clark, Thomas Edison, and Mark Twain. NEH has also supported educational television documentaries such as Ken Bums's The Civil War, The West, and Jazz, and biographical films on Theodore Roosevelt, Woodrow Wilson, Charles Lindbergh, and George C. Marshall.

History and culture is brought alive in other ways as well. At the University of Virginia, NEH grants have helped to support the "Valley of the Shadow" project (http://www.iath.virginia.edu/vshadow2n), an archive of documents, images, maps and records for two communities, one Northern and one Southern, during the Civil War. The project is a hypermedia archive of thousands of sources for the period before, during, and after the Civil War for Augusta County, Virginia, and Franklin County, Pennsylvania. Those sources include newspapers, letters, diaries, photographs, maps, church records, population census, agricultural census, and military records. Students can explore every dimension of the conflict and write their own histories, reconstructing the life stories of women, African Americans, farmers, politicians, soldiers, and families. The project is intended for secondary schools, community colleges, libraries, and universities. Shepherding and nurturing such efforts—in essence, preserving our heritage—is the government's trust and must remain at the federal level.

NEH support often leverages state, local, and private philanthropic investment and increases public engagement with the humanities. The imprimatur of NEH funding, awarded on the basis of merit as determined by rigorous peer review, has a multiplier effect, increasing public participation in humanistic endeavors and attracting additional funds. NEH challenge grants require $3 or $4 in matching funds for each federal dollar, thereby generating more than $1.2 billion in nonfederal support for U.S. libraries, colleges, museums, and other eligible institutions.

MATRIX, the Center for Humane Arts, Letters, and Social Sciences Online at Michigan State University, is one example of a project leveraged through NEH support. MATRIX is devoted to the application of new technologies in humanities and social science teaching and research. In addition to serving MSU and its faculty and academic units, MATRIX is the home of H-Net, which houses and supports over 100 interactive listservs edited by scholars in North America, Europe, Africa, and the Pacific. MATRIX has received a very high level of external funding from federal grant agencies such as NSF, NEH, Ford, Mellon, USAID, and has very high on- and off-campus visibility, which includes international recognition and extensive collaborations with other countries, especially in western and southern Africa. Its members collaborate extensively with other disciplines, including those outside of the humanities. Notable academic accomplishments include projects providing educational access (e.g. for women in Africa), content for schools (e.g. Civics on-Line), and educational outreach (work with off-campus groups from other countries and local school districts). Further information can be found at http://www.matrix.msu.edu/newmatrix.

The creation of knowledge is one of the central missions of research universities. It permeates the institutions in ways seen nowhere else. NEH funds humanities research that may not be immediately accessible to the broader public, but which builds a foundation from which Americans of all ages will ultimately benefit. As the results of NEH-supported research become part of the learning environment, our overall knowledge base increases and new generations of scholars find fresh questions to explore.

One example of this is the Digital Scriptorium at the University of California, Berkeley. The project was conceived as an image database of dated and datable medieval and renaissance manuscripts and was intended to unite scattered resources into an international tool for teaching and scholarly research. It has evolved into a general catalog designed for the use of paleographers, codicologists, art historians, textual scholars, and other researchers. It allows scholars to verify with their own eyes cataloguing information about places and dates of origin, scripts, artistic styles, and quality. It documents visually even those manuscripts that traditionally would have been unlikely candidates for reproduction. It provides public access to fragile materials otherwise available only within libraries. Because it is web-based, it encourages interaction between the knowledge of scholars and the holdings of libraries to build an ever-enriched and corrected flow of information.

Another important role NEH plays is in the area of preservation. Again, such efforts are of substantial benefit to the entire nation but are unlikely to be funded by any individual state or institution. NEH's Newspaper Program has supported newspaper preservation projects in each of the fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Cornell University has used NEH funds to coordinate the identification and preservation of 8,075 aging volumes on American agricultural history and rural life published between 1820 and 1945 and held by land grant universities in California, Florida, Nebraska, Texas, Arizona, Arkansas, Hawaii, Iowa, Minnesota, Montana, and New York. The preservation of brittle books and newspapers assist scholars in producing source material accessible to all Americans, from legal scholars to political scientists to schoolchildren.

Research universities, small private institutions, state colleges, and community colleges use NEH grants to conserve and nurture our American heritage, bring the humanities to the community, expand knowledge, and educate the next generation of Americans. NEH-supported summer seminars and institutes provide an opportunity for high school and college teachers to spend six to eight weeks learning from and working with leading scholars in the humanities. Summer seminars and institutes provide an exhilarating boost to the participants, regenerate their enthusiasm, and facilitate the transfer of new knowledge. This summer, teachers will have the opportunity to study ethics at the end of life at the University of Utah, Afro-Hispanic literature at the University of Missouri at Columbia, science and values at the University of Pittsburgh, and Aristotle's writings on meaning and thought at San Diego State University.

The NEH has enjoyed bipartisan support throughout its 38-year history and has been the most important source of federal support for humanistic endeavors in the United States. By deepening knowledge of our national heritage, the "We the Peo-

ple" initiative will give Americans a better understanding of how major events of our history reflect certain fundamental and enduring ideas. AAU, ACE and NASULGC strongly support this initiative, and again urge the Subcommittee to provide the $152 million that the President requested for NEH in fiscal year 2004.

PREPARED STATEMENT OF THE FEDERATION OF STATE HUMANITIES COUNCILS

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to present written testimony on behalf of the state humanities councils, the state-based programs of the National Endowment for the Humanities. I am Jamie Doggett, chair of the board of the Federation of State Humanities Councils. My husband and I are ranchers in Montana, where I served three four-year terms as a governor's appointee on the Montana Committee for the Humanities. I am writing in support of the Administration's fiscal year 2004 Budget Request for the National Endowment for the Humanities which seeks funding of $152 million, including an increase of $25 million for the exciting new We the People (WTP) initiative on American history, culture and civics. The Administration's fiscal year 2004 budget request for NEH also includes the critically important continuation of $31.829 million in funding for state councils through the Federal-State Partnership line. We are pleased that this will be supplemented by significant resources we anticipate will be available to councils through the new WTP funding.

The state humanities councils are located in each of the 50 states, Washington DC and the U.S. commonwealths and territories. Since their creation nearly three decades ago, the state councils have been promoting the use of history and literature to connect individuals with each other and with the life of their community. Working with dedicated historians and other scholars and professionals, the councils have helped communities understand and preserve their local history, define and distinguish among conflicting values, and undertake dialogue that can help address real problems. Notwithstanding the widening gap between their extremely modest funding level and the dramatic and consistently growing need and demand for their programs, state councils tirelessly seek to utilize the resources available to them as efficiently as possible in order to respond effectively to the demands of the communities they serve. Unfortunately, councils find it increasingly difficult to fulfill many of the burgeoning requests they receive.

WE THE PEOPLE INITIATIVE

All of us involved with this vital work recognize now more than ever that it is crucial for Americans to understand our own history, culture and system of government before we are able to engage meaningfully with nations and groups with different traditions and values. Thus, councils have responded enthusiastically to the NEH's expanded WTP initiative focused on broadening and deepening Americans' understanding of our nation's history and culture, for its thrust has for some time been a primary concern of state councils, as reflected in the Illinois council director's description of her council's "enduring commitment to promoting greater public understanding of our history in communities and venues, large and small, across the state." It is illuminating to consider the tremendous scope of activities already underway across the country which typify the sense and spirit of WTP, with all state councils looking forward to additional resources which will allow them to build on what has already been accomplished.

History and Heritage Programs

Because they are deeply committed to responding to community needs, councils pursue a variety of approaches to promoting knowledge and understanding of American history and culture. Speakers Bureaus, a stable of speakers on a variety of topics who are available to do local programming for a minimal fee, are a long-standing and popular vehicle used by councils to deliver programs and expertise to locations throughout their states, especially distant rural areas. The Montana council hosts a Speakers Bureau with about half of its 100 programs focused on history including Native American studies, regional history, Lewis and Clark, and "living history." In Oklahoma, "Territory Speakers" engage public audiences on topics such as "The Meaning of the American Revolution" and "Shaped By Adversity: The Depression Generation." Iowa offers a rich array of Speakers Bureau programs including "The Underground Railroad in Iowa," "The 30s and 40s Depression and WWII: How Did We Cope?" and "Early Iowa Pioneer Women," with librarians and historical societies telling the council that these are some of the best programs their institutions offer. The council reports that requests for these programs has soared, exhausting the budget well before the end of the year and necessitating limiting organization re-

quests. In addition to allowing expansion of Speaker Bureaus programs to a level sufficient to meet demand, many councils seek new funding to support development of new WTP-focused speakers bureaus, some with a particular emphasis on reaching young people.

Several councils sponsor chautauqua, or "living history," programs which feature portrayals of historical characters. A group of councils, Nebraska, Oklahoma, Missouri, Kansas, and North and South Dakota, have joined together in the "Great Plains Chautauqua," a program conducted under a tent in local communities throughout the participating states. For the next four years the theme of the Great Plains Chautauqua is "From Sea to Shining Sea," an examination of the westward expansion of the new American nation. They will feature scholars portraying historical figures such as William Clark, Sacagewea, York and Dolley Madison, who will participate in week-long residencies in rural communities and help audiences understand the theme in all its complexity. Great Plains Chautauqua programs draw thousands of attendees from throughout the local area; current resource constraints preclude councils from offering chautauqua programs in more than one community per year in their states.

The Nevada council has an especially vibrant chautauqua program. The "Great Basin Chautauqau" is held on five consecutive nights in Reno and draws 1,000 people each night. The 2002 theme was "The Founders Generation" and for 2003 it will be "The Lewis and Clark Expedition." In-state Chautauquans usually become a part of the council's "Humanities on the Road" speakers bureau. The council also developed their "Young Chautauqua Program," which received a Coming Up Taller Award from the President's Committee on the Arts and Humanities, as a creative approach to the teaching of history based on the research-intensive model of the adult chautauqua.

A number of councils have developed programming with a particular emphasis on an understanding of state or local history. The Virginia humanities council has launched the African American Heritage Program, an educational and economic resource for the state jointly developed with the Virginia Tourism Corporation. The program includes a database of more than 400 significant historic sites, a trails program comprising publications and marketing to encourage the public to visit the sites, and a grant program supporting organizations involved in interpretation of Virginia's African American Heritage as well as the goals of other components of the initiative. The Michigan council co-sponsors "Michigan's Great Outdoors Culture Tour" featuring 24 performing artists and cultural interpreters offering more than 110 programs in scenic settings such as parks, campgrounds, and historic sites in northern Michigan. The family-friendly events bring to life the rich culture and heritage of people, places, and traditions of Michigan's northwoods and Great Lakes. The Humanities Council of Washington D.C. has inaugurated "Soul of the City," a three-day urban leadership development seminar encompassing hands-on projects about Washington's neighborhoods taught through the lens of history, ethics, literature and public spaces.

Councils use their regrant programs to encourage programming done by other institutions, frequently providing greater outreach and access and encouraging institutional capacity-building. The South Carolina humanities council supported a series of forums focused on the story of Reconstruction history in Beaufort County, sponsored by the Reconstruction Heritage Partnership, a coalition of local institutions and governments. The Illinois council with a notable depth of programming in the area of American history and culture, has a broad cross-section of regrants and other activities which it has organized under headings such as Inventing America/Becoming America, America at Work, American Mirror/American Memories, and American Challenges/American Issues. In Wisconsin, the council has supported development of a 13-week series of radio programs combining oral histories and contemporary commentary to create living memories of Wisconsin. The director of the Nevada council has observed that some of the best humanities programs in the state are developed through their regrant program, with additional federal funds allowing them to create a program that would "roughly match the growing need." The Florida council director speaks of the need to triple their regrant program to meet the needs of the 17 million people in their diverse, complex state.

Support for K–12 Teachers and Students

All of us recognize that teachers are at the frontline of addressing the challenge of understanding who we are and where we have been. The state humanities councils, two-thirds of which conduct either summer institutes or one- or two-day teacher workshops, have established these programs to provide high-quality support and assistance to teachers in the humanities, recognizing that it is these disciplines which provide children with the analytic and verbal skills they need to participate in

democratic society. The Idaho council, for example, has sponsored annual summer institutes for teachers on topics ranging from the Bill of Rights to Idaho political history since WWII, with this year's interdisciplinary institute for literature and history devoted to the theme of "John Steinbeck and the Art of Social Engagement." This summer the New Jersey council is offering institutes for K–12 teachers on "A Reconsidered Past: New Scholarship in African American History" and "Religious Diversity in America." The Georgia humanities council director captured eloquently the unique experience these institutes provide teachers in referring to letters received from attendees at the civil rights institute the council co-hosted last summer. He mentions participating teachers characterizing it as a life-changing experience, observing this happens because they "came into contact with heroism, sacrifice, [and] fundamental values of humanity for which some were willing to give their all . . ."

The Nebraska humanities council has chosen to take advantage of what they refer to as the "teachable moment" provided by the Lewis and Clark Bicentennial. The council has made a four-year commitment to programming that prepares K–12 teachers to benefit from the newest scholarship on the Lewis and Clark Expedition with summer seminars, in-school workshops for school districts, and a state-wide video conference for school and public librarians on the best materials for acquisition.

For nearly 20 years, the Louisiana humanities council has been funding intensive four-week graduate seminars for elementary, middle and high school teachers, with the potential to affect the quality of teaching for 78,000 students annually. A significant number of these seminars have focused on American history, including four seminars on the U.S. Constitution. Among the offerings this summer are seminars on the Bicentennial of the Louisiana Purchase.

The Indiana council has focused on re-designing the customary residential teacher institute to take advantage of technology as a delivery system for content. They have created an internet tool which provides teachers with lesson plans tied to state academic standards and information about rich humanities resources from cultural, academic, and library sources around the state.

Eager to assist teachers interested in providing students with meaningful and engaging material, several state councils are working in partnership with National History Day (NHD), the national year-long classroom-based education program which engages students in grades 6–12 in a process of discovery and interpretation of historical topics grounded in research. State councils both serve as state affiliates for National History Day and provide sustaining funding to other organizations in that role. The Maryland Humanities Council, which is the NHD state affiliate, views the program as an important vehicle for invigorating history education in the secondary grades. Crippling cutbacks in state support for NHD programs has constrained participation by many schools and the federal funding provided through state councils is often the only source of support for this and other similar high-quality programming devoted to teaching and learning about our history and heritage.

THE ONGOING NEED FOR NEW RESOURCES

In addition to expanding current programs and activities and pursuing new opportunities afforded by the new funding provided through the WTP initiative, councils continue to require funding for other core programs, many of which are targeted at audiences otherwise overlooked. For instance, several councils, such as Georgia, Maryland and Wisconsin, are grappling with the challenge of serving immigrant communities, a growing audience throughout the country Additional funding would allow the Oklahoma council to develop programming specifically addressed to the state's Hispanic population which has grown 256 percent since 1990.

In his testimony concerning the Administration's fiscal year 2004 budget request, NEH Chairman Bruce Cole acknowledged the important role of state councils as the "delivery system" for high-quality humanities programming, noting that the request incorporates significant support for local and statewide projects on American history, culture, and civics sponsored by the 56 state humanities councils, essential NEH partners who will help to ensure that We the People reaches throughout every state and territory of the nation. Although even in challenging economic circumstances councils work to raise resources from state and private sources, federal funding is a crucial catalyst for council activities and efforts both as part of the WTP initiative or more generally.

Thank you for your continuing support for the work of the state councils and NEH and for your consideration of our endorsement of the Administration's fiscal year

2004 request for $152 million for the NEH, including the $25 million for the We the People initiative.