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OPEN SPACE AND ENVIRONMENTAL QUALITY

HEARINGS

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

MARCH 17 AND 18, 1999
JULY 7, 1999—LAS VEGAS, NEVADA

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OPEN SPACE AND ENVIRONMENTAL QUALITY

WEDNESDAY, MARCH 17, 1999

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to other business, at 10:30 a.m. in room 406, Dirksen Senate Office Building, Hon. John H. Chafee (chairman of the committee) presiding.

Present: Senators Chafee, Crapo, Reid, Baucus, and Graham.

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator CHAFEE. I want the welcome everyone here this morning.

I'm excited about the hearings today and tomorrow on open space and environmental quality. These hearings mark the beginning of a close, extended look by this committee on the issues of open space, sprawl, and their relation to environmental quality.

The opening round of hearings has two purposes: first, to provide an introduction to the issues and the vigorous debates surrounding them; second, to provide an opportunity to explore specific Federal proposals that are likely to be raised during the consideration of the budget resolution, which will come up on the floor of the Senate very soon.

Much attention has been given to the subject of open space and development in recent months as a result of the resounding success of State and local ballot initiatives across the country and numerous Federal proposals following on the heels of these initiatives.

I might say, in my State, it doesn't make any difference whether it's the State or the local community putting a bond issue for open space on the ballot, they receive tremendous support—as high as 60 percent or 70 percent of the voters.

The ballot initiatives presume that there is a problem to solve, and the Federal proposals presume there is a role for the Federal Government. Before making these presumptions, we must first look at the nature, extent, and consequences of land development, particularly so-called "sprawl."

Land development has been described as a three-legged stool composed of the community, the economy, and the environment. With respect to the last leg, environment, sprawl can have a profound effect on environmental quality, including water quality, air quality, traffic congestion, wildlife and natural habitat, and waste disposal.

When one dissects the issue of sprawl and its individual components, one is looking at a panoply of environmental subjects under the jurisdiction of this committee.

The conservation of opening space has been one of the most important priorities for me throughout my career. When I was Governor of our State in the 1960's, I started a green acres program, in which the State government would provide matching funds—and, indeed, at that time we could get some Federal funds, likewise—to help the local communities preserve open space, and then, of course, we preserved open space on the State level.

When I think of where I will spend my time when I leave the Senate, it is not going to be in the shopping malls. It is going to be in the wildlife refuges that we are blessed with in our State.

I believe that the loss of open space occurring in parts of the Nation is a real problem. I believe the Federal Government does have a role in it.

States like mine—and I'm sure the State of Idaho, likewise—can benefit greatly in their endeavors from Federal assistance. The most significant project is the Land and Water Conservation Fund. Last week I drafted a letter to the Budget Committee requesting full funding for this fund, the Land and Water Conservation Fund. The letter was cosigned by 35 colleagues in the Senate.

Smaller Federal programs also exist, and both Senators and the President believe there is an opportunity for a greater Federal role.

It seems to me we should have a better sense of the nature and consequences of sprawl and the efforts by local and State and private organizations to address it. The hearings over the next 2 days will explore these issues.

We've got a splendid group of witnesses, and I'm eager to hear their testimony.

Senator Crapo, we welcome you here. If you've got a few comments, now is a good time.

OPENING STATEMENT OF HON. MICHAEL D. CRAPO, U.S. SENATOR FROM THE STATE OF IDAHO

Senator CRAPO. Thank you, Mr. Chairman. I'll be very brief.

I appreciate the attention you are giving to this issue. You are correct that there is a lot of potential for good to be done through these types of initiatives.

Obviously, one of the concerns that we all have is to make sure that the Federal Government doesn't impose too much on State and local decisionmaking in those types of matters, but the assistance that can be provided is often invaluable.

We have been able to use the Land and Water Conservation Fund very effectively in Idaho in some cases, and I think that looking at how to best utilize those funds in a way that does not increase Federal Government holdings of property to the reduction of private property holdings, but instead in a way which preserves and strengthens our open spaces and the tremendous environmental heritage we have in this country is the approach we ought to be taking, and I commend you for your efforts.

[The prepared statement of Senator Crapo follows:]

STATEMENT OF HON. MICHAEL D. CRAPO, U.S. SENATOR FROM THE STATE OF IDAHO

Mr. Chairman, I appreciate the opportunity to discuss the issues of open space, land use planning, and environmental quality and thank you for providing this forum. There are currently a number of proposals before the Senate that would take major steps, commit a significant amount of new funding, and, in some cases, create new Federal programs to address these issues. Most of these proposals would create a permanent funding stream through the Land and Water Conservation Fund (LWCF).

I agree with the proponents of these bills that we have a responsibility to ourselves and future generations to preserve, protect, and enhance our natural environment and am pleased that these issues are being given the attention that they deserve. As we move forward in consideration of these measures, it is, however, important that we be mindful of all of the potential impacts that the proposed increase in funding and programs will have, especially on the autonomy of State and local governments. We must ensure that Federal assistance through such legislation is structured so as to complement and support, but not direct or inhibit, local decisions and priorities. We must further emphasize that, while the Federal Government has a proper role in LWCF-assisted projects that are used to provide incentives, such as scenic or conservation easements, for private property owners to achieve recreation or environmental goals on their own land that benefit the public, increased Federal land ownership and increased Federal involvement in local planning decisions is not necessary to achieve recreation and conservation goals. As the debate continues as to how best to manage the LWCF, I will work for proposals that meet recreation and conservation goals by involving State and local governments and private landowners without unnecessarily increasing Federal land holdings.

Most importantly, however, as we consider new projects and funding under the auspices of the LWCF, we must first honor existing commitments made by the United States for the funding of conservation and scenic easements. In Public Law 92–4000, for example, Congress established the Sawtooth National Recreation Area "to assure the preservation and protection of the natural, scenic, historic, pastoral, and fish and wildlife values and to provide for the enhancement of the recreational values associated herewith," and authorized the purchase of scenic easements to achieve these goals. Unfortunately, for numerous years, willing sellers and landowners interested in signing easement agreements were stalled by lack of funding. I have fought in recent years for this funding to become available and have made some progress. I have also, however, discovered that land has since changed hands, or landowners have become tired of waiting, and the land is therefore no longer available. This situation is lamentable and I would hope that as we move forward in considering legislation to increase funding for the LWCF, we include recognition of existing outstanding commitments that should be honored before new projects are sought out.

Senator CHAFEE. Well, thank you. It is interesting, because you and I have discussed this and I know you are concerned about what is happening in your major city. You and I have discussed that. And frequently the view is that, "Oh, the westerners don't want the government in this at all," but you indicated that the Federal Government could be of a help to you in solving the problem that you are facing, particularly in Boise.

Senator CRAPO. That's right, Mr. Chairman. And I think the key word there is "help." The concern that we all have in the west is that we don't need to have overly burdensome Federal rules and regulations that tell us all how we should govern ourselves, but the assistance that can be provided in the right way through these resources can be very helpful. And that's the kind of legislation I think we need to work toward.

Senator CHAFEE. Thank you.

Our first panel consists of: The Honorable Paul Helmke, mayor of Fort Wayne, Indiana, past president of the U.S. Conference of Mayors; and The Honorable Terry Kauffman, chairman, Board of Commissioners, Lancaster County, Pennsylvania.

If you gentlemen would please come to the table—and, Senator Reid, I don't know whether you had a comment at this time, but if you had anything you want to say——

OPENING STATEMENT OF HON. HARRY REID, U.S. SENATOR FROM THE STATE OF NEVADA

Senator REID. Mr. Chairman, I have a statement I'd like to make part of the record, and I also—later today there is going to be some information that I'm tremendously interested in, and the question is I have another hearing, so I'm going to have to come and go. I'm very appreciative of your scheduling this. I can't think of anything that is more important that we could do than work on this urban sprawl, and Las Vegas is the picture child for urban sprawl. We have so much growth there that we need all the help we can get.

Senator CHAFEE. Thank you.

[The prepared statement of Senator Reid follows:]

STATEMENT OF HON. HARRY REID, U.S. SENATOR FROM THE STATE OF NEVADA

Thank you, Mr. Chairman.

I was sorry to hear earlier this week that this committee and the U.S. Senate will be losing one of its finest members and greatest leaders at the end of next year.

During the years that you have been chairman, the environment has known no better friend in Congress than you, Senator Chafee. Your leadership will be sorely missed.

This committee has long had the reputation for being the most nonpartisan on Capital Hill, a tradition you have upheld with great honor, Mr. Chairman. I can only hope that the next chairman of this committee will be able to live up to the standard you have set.

However, there is still much work to be done and I am glad that you have chosen to turn to this fascinating and important subject for today's hearing.

In this committee we work on some of the most complex, scientific, technical, and, at times, obscure material imaginable. However, today we are going to begin a dialog on something pretty straightforward: Quality of Life.

We are going to call it a lot of different things: The Livability Agenda, Open Space Protection, sprawl, smart growth, and Lands Legacy. But they all describing the quality of life issues that face so many of us today, particularly those of us who live in urban or suburban areas.

Our challenge is to find the tools and resources that our communities need to ensure that our cities and towns can grow and develop in the ways that its residents want.

These challenges are incredible and interrelated. Problems of congestion, poor air and water quality, issues of water quantity, waste disposal, and sewage treatment are all problems of modern life that communities struggle with.

Nevada as a State is one of the fastest growing in the country. Las Vegas is one of the nation's fastest growing cities. 5000—7000 new people call Nevada home each month, many of them settling into the Las Vegas Valley.

With this growth, which has been wonderful for Nevada, has come many of the problems that we have begun to associate with "livability" issues. People move to Nevada and to Las Vegas for the wonderful quality of life, so it is incumbent upon Nevadans to make sure that standard of living is maintained.

During her recent campaign for Governor, Las Vegas Mayor Jan Jones made livability issues and urban sprawl a centerpiece of her campaign.

Like so many other areas nationwide, the communities of the Las Vegas Valley have begun to work together on regional solutions to many of these tricky problems.

Just last month, the Southern Nevada Strategic Planning Authority released its plan for responsible growth in the Valley. This is a several hundred page document dedicated to responsibly and creatively answering the question: "What will Southern Nevada look like 20 years from now?"

Mr. Chairman, I am looking forward to our field hearing on this subject in Las Vegas later this Spring. We are going to pack the hearing room with citizens and local officials, all of whom are eager to share with you the many unique and innovative things local people are doing in Southern Nevada to make it a wonderful place to call home now and for many years to come.

One thing I am sure they will tell us: If the Federal Government has good ideas or resources to devote to these livability issues, then they want our help. Otherwise, they just want us to get out of the way.

Let me be clear about one important thing: I am not sitting here today as an advocate of some system of Federal zoning or any other such nonsense. I don't think that any of my colleagues are, either.

I am saying, however, that the Federal Government has a role to play, particularly with so much development currently taking place in coastal areas, flood plains, or, in the case of Nevada, on land that borders on Federal property (and probably used to be Federal property)

In many parts of the West, the Federal Government has been a not-so-great absentee landlord. Communities have developed as much according to Federal land use policy as they have according to local land use policy. It has not always been a great way to go.

Before concluding, I am delighted to see such great attention being focused upon the various proposals to boost the Land and Water Conservation Fund and other land management funds. We cannot continue to ignore the impacts of development on sensitive areas.

The LWCF has been critical to the efforts of the California and Nevada congressional delegations to protect and preserve Lake Tahoe. These funds have been used in dozens of other States for similar conservation purposes. LWCF is a tremendously worthwhile program.

One area that has not been addressed in any great detail in any of the LWCF proposals I have seen thus far is our National Parks. We are literally loving our National Parks to death and Senator Graham and I hope to be able to work with all of you that have drafted LWCF proposals to see about doing something more than we are doing to protect sensitive and important areas within the Park System.

Thank you for your indulgence, Mr. Chairman. As you can see, it is possible to cover a lot of ground on this topic. Thank you, again for holding this important hearing.

Senator CHAFEE. Mayor, we welcome you here. You go to it.

STATEMENT OF HON. PAUL HELMKE, MAYOR, FORT WAYNE, INDIANA, PAST PRESIDENT, U.S. CONFERENCE OF MAYORS

Mayor Helmke. Thank you, Mr. Chairman.

My name is Paul Helmke. I'm the mayor of Fort Wayne, Indiana. That's the second-largest city in the State of Indiana. I'm the immediate past president of the U.S. Conference of Mayors.

The whole issue of livability, of sprawl, of really what's going on in our communities today—smart growth, or whatever the catch words are—is a very important one to all of us.

I might say, Mr. Chairman, too, that I was a candidate for U.S. Senate last year and had hoped to be sitting on the other side of the aisle here, but being mayor is a great job and Mayor Coles, I know, from Boise reflects that and the mayors in Rhode Island that I know well and Mayor Jones in Las Vegas are all very concerned about all these issues, and I'm happy to be here on behalf of the U.S. Conference of Mayors talking about these issues.

I submitted a statement, and I don't want to read that statement, but I do want to touch on a few of the high points.

First of all, when I talk to people in my community, when I talk to other mayors——

Senator CHAFEE. What's the population of Fort Wayne?

Mayor Helmke. About 200,000.

When I talk to people in my community, they are concerned about what I call ''front-door issues.'' They're concerned about what they see when they open their front door. Are the schools good? Is the traffic situation OK? Are the streets safe? Are their jobs secure? They're concerned about quality of life.

Although I know what we do at all levels, what you do at this level is very important in terms of front-page issues, I think those front-door issues are just as important in terms of what Federal policies do to impinge on what my folks and what the folks in your cities see out their front door.

It is my sense that, in the past, oftentimes we've had policies at the Federal level that end up having an anti-urban bias, that end up causing problems for people out their front doors, and that's why I think it is important to have this discussion about livability, about environment, about open space.

I think there are a few things that really show this pretty clearly. One is the whole issue of brownfields. Brownfields are the abandoned industrial sites that are in every city and town in America. It can be the abandoned gas station. It can be the old factory. And these are sites that really, I think, reflect a lot of this discussion.

I think one of the best things we can do to preserve open space is to find a way to help redevelop the brownfield sites. And a lot of that deals with the legislation that has been talked about, that has been proposed by you, Mr. Chairman, and proposed by Congressman Boehlert on the House side, that deals with changing the liability rules so that we don't just worry about who we are going to be suing, but we worry about how we are affecting our neighborhoods, how we make it easier for developers and investors and private sector, public sector, not-for-profit sector to come in and redevelop these brownfield sites.

I think, as a country, we've learned that it is important to recycle glass and aluminum and paper. We need to recycle our land, and there are Federal policies that have made it difficult to do this, so I think the whole issue of brownfields is an important one.

One of the statistics that I mention in my text is taken from the American farmland trust. This was part of a report that the U.S. Conference of Mayors issued a year ago. During the 10-year period from 1982 to 1992, the United States converted more than four million acres of prime farmland to urban land. This is the prime farmland, the good soybean fields, corn fields that we've got in Indiana. That's an area that's larger in size than the entire greater Chicago metropolitan area, which runs from southern Wisconsin into Indiana. It's an area equal in size to the States of Connecticut and Rhode Island combined.

Mayor Daley, a former head of our organization, uses the quote a lot that the U.S. destroys more farmland each year than any nation on earth.

In that same 10-year period, 1982 to 1992, all of the land developed, not just the prime farmland, was equal in size to the States of Connecticut, Rhode Island, New Jersey, Delaware, and one-quarter of Maryland.

I think, when you look at those sorts of statistics, even though there is a lot of open space, particularly in the west, we still need to be careful about what we're doing with our land. I think the brownfields issue is one that needs to be talked about as a way to preserve open space, to make sure that people are staying close to where they want to work, that we're not contributing to sprawl, that we're not contributing to pollution.

I think transportation issues are also crucial. What we've done oftentimes is contribute to the problem of sprawl with the way that we've spent the transportation dollars. From the U.S. Conference of Mayors' perspective, if we could give more flexibility to local communities on how they are going to spend it, get the money directly to local communities so we don't have to fight with the Governors and the legislatures to make sure that we're doing the things that we think at the local level are best able to help it.

A recent survey by one of the groups that is concerned about reinvesting in America found that most people are more concerned with putting more money into fixing the streets and the roads they already have than building new streets and roads. People are concerned about public transit and how we get to work from where folks live, so that's a crucial issue.

The parks issue that you mentioned, Senator, is a crucial one to us, too. Oftentimes, we love our national parks, but the crucial park for most of my citizens isn't the national park, it's the park across the street, the park down the block. We need to put some of that money into our local parks, too.

So I salute you for addressing these issues. This is something where I think it is appropriate to take a Federal role, to look for a Federal partnership. The Federal role in the past has caused some problems, and I think we can correct that we a good open discussion and find out what we can do with brownfields, transportation, environmental programs, so we really do address those front-door issues.

Thank you for the opportunity to be here today.

Senator CHAFEE. Well, thank you very much, Mayor. We'll all have some questions for you when we finish up.

Now we're going to hear from Mr. Terry Kauffman, who is chairman of the Board of Commissioners, Lancaster County, PA, which I suspect is an area of considerable growth.

STATEMENT OF THE HON. TERRY KAUFFMAN, CHAIRMAN, BOARD OF COMMISSIONERS, LANCASTER COUNTY, PENNSYLVANIA

Mr. KAUFFMAN. It is. Thank you, Mr. Chairman.

I actually today represent the National Association of Counties. Obviously, as the mayor would have said, our first priority is our home, however, and remember that.

I first want to also echo our support of what the mayor has said, and the efforts between the National Association of Counties and the Conference of Mayors to try to address these issues.

Quality of life concerns, as the mayor said, the high cost of providing those services and infrastructure—and in our case in Lancaster County, many other areas have loss of farmland, and our environmental resources are topping the list of many of my colleagues throughout the country.

And increasingly, whether we want to or not—and some of us probably want to more than others—we are being called upon to make the difficult decisions in this arena. Our local citizens come first to the local elected officials to say, "This is a quality of life. We're losing farmland. We don't have parks. We don't have traffic." We have been asked to take a lead role in that, and we are looking

for partnerships to develop new approaches to better direct the way we grow.

The country, in general, also, I think, has highlighted and expanded its understanding, and, if not its understanding, it's awareness as citizens are concerned about what we call "suburban sprawl." That could be described as an explosion of concern over our current use or growth patterns.

What I really think it is, they're worried about change and how it affects the quality of life issues. Again, I applaud this committee for looking at those.

In my county, suburban sprawl over the last three decades has depleted our farmland and natural resource base and threatened the lifestyle of our Amish and Mennonite communities, the things that we believe are the most unique and appealing for citizens to live there.

Important on our list of growth-related problems is financial burden that residential sprawl is placing on county government, just as it is in our cities and our towns. Those are the areas which supply services and infrastructure to new housing, often without a corresponding tax base.

We are aware that some are encouraging the Federal Government and State legislatures to take the decisions about land use out of the hands of local elected officials and place them in the hands of appointed regional bodies or State entities who would establish growth or planning policies applicable to our governments.

State mandates and preemption are something that are scarce, but they are coming. For example, in Tennessee, counties and cities have been mandated to adopt State-designed growth plans by July of 2001. In Florida, State-appointed regional water districts have a great deal of authority to approve or deny certain land uses. In the opposite end of the spectrum, States like Virginia make it very difficult for counties to manage growth, requiring, for example, specific authorization from the legislature before a county is allowed to impose impact fees.

The approach of the National Association of Counties, on whose behalf I am speaking today, is to better equip our counties and elected officials to make decisions about smart growth alternatives for themselves.

What do we mean by "smart growth"? NACO believes that includes efforts that accommodate growth in a way that integrates economic prosperity and environmental quality and affords to enhance the unique attributes of counties that are valued by the community.

In particular, NACO supports comprehensive local land use planning as a mechanism for achieving smart growth. Because we believe that how we use our land directly affects our ability to maintain a high quality of life for existing and future residents, our board of directors recently listed smart growth as a priority issue for the next 3 years.

We have been holding extraordinarily popular workshops within our NACO conferences and developing working team sessions, and we hear over and over and over again this is one of the primary concerns and issues facing county governments.

At the same time, we look forward to partnerships with agencies and governments such as yourselves to help us guide our activities.

At the same time, we recognize we derive our legal authority primarily from our State governments, and, without the necessary ability to control those land uses, we will remain limited in our ability to implement our comprehensive plans and smart growth initiatives.

Every State has its own distinct land use structures. Some States simply fail to respect local autonomy and authority.

On the Federal level, we see other policies that indirectly limit local land use decisionmaking. For example, in some areas, Federal facilities are placed without any correspondent view on how they affect local land use planning.

There are a lot of models out there. In my county, we lack the authority of zoning, but, through intermunicipal agreements, we've developed a voluntary approach with our boroughs and towns and townships, through sheer persuasion and dollars, and convinced them to look at a unique planned effort by Lancaster County.

There are other models as we go forward, other techniques, critical areas.

Another growth management technique is the use of impact or development fees. I will say to you that that's controversial, but we have about 22 States which allow it, and it provides a timing issue. In other words, we don't have housing, we don't have hype, we don't have any growth until we have the infrastructure to support it.

On the Federal level, we are hearing about some new, interesting proposals for additional funding and assistance. We look with favor on programs that assist us with acquiring land and purchasing rights, and we look forward, again, to a continuing expanded role.

We would only caution, on behalf of NACO and counties, that Federal funding should be careful to respect local land use and decisionmaking.

As we view these progress, will Federal growth management goals conflict with the goals we have established within our communities? We fully expect those answers will be complimentary and will not supersede.

In conclusion, there are a wide variety of tools, both already available and in the proposed stage, that hold a promise for better management of our land resources and better control over growth.

We have to be careful, however, in this effort that local governments decisionmaking need not be pushed aside, and that our authority to determine what our community looks like isn't relegated to merely advisory status.

We look forward to working with this committee, the Federal Government, our State legislators, our city and town partners to achieve what we believe our citizens want—smart growth for the community.

Senator CHAFEE. Well, thank you very much, Mr. Kauffman.

Senator Baucus, do you have a statement or anything you'd like at this time?

Senator BAUCUS. I do, Mr. Chairman. And first I thank you for holding this hearing. It is a new, developing area which I'm glad

that you are paying very close attention to, and I thank our witnesses for taking the time and effort to come here.

I can speak with some personal experience to the problems that you're facing, Mr. Kauffman. I have relative in your county who I go visit, and I've seen how much Lancaster County is changing, and I appreciate the problems that you have.

I'd also like to say that—and somewhat similar to the problems facing Lancaster County—that this is not just a big-city issue. We're not talking just about urban sprawl. I'm sure that's a lot of the problem that you're facing, Mayor, but it is not just urban sprawl. It's not just a big-city issue or an East Coast issue or a California issue; it is an American issue.

I might say that in some part I say that because the State I represent, Montana, has the motto of, "The Big Sky State." We pride ourselves in our open space. We're the least metropolitan State, with only three cities, I might say, Mr. Chairman, that have a population of 50,000 people or more. We just don't have a lot of people.

Open space is a very big issue in the rural west for two reasons. First of all, open space defines us. It is why we call our State, "The Last Best Place," the State of Montana. And you'll be interested in this, Mr. Chairman. We, I think, are the last State to successfully write a constitution. I think it was 20 years ago. And let me just read you part of the preamble. It begins by first thanking God for the quiet beauty of our State, the grandeur of our mountains, and the vastness of our rolling plains, thanking God for the quiet beauty of our State, the grandeur of our mountains, and the vastness of our rolling plains. Unfortunately, though, our State is changing. It is growing. It has been discovered. Montana was discovered about 10 years ago, people moving in to Montana to escape—to escape what they regard as congestion or poverty or long commutes or crime, to a much better quality of life.

As a consequence, we're growing very quickly. Our population has grown by more than 10 percent, and in Flathead County, which is in the northwestern part of the State, and in Gallatin County, which is the southwestern part of the State, our population in the last decade has grown 20 percent because of people moving into the State.

This has its benefits, this growth, but it also has its costs. We now face some forms of sprawl, and we have congestion, pollution, increased demand for services.

Let me read you an editorial by the Billings "Gazette" just last Sunday. "Something must be done, or in time we will not have to lock the gates because the best parts of Montana will be ruined, and then no one will want to come here, let alone live here."

That said, preserving open space raises very difficult issues. For one thing, we in the west love, as much as anything, and including open space, our independence. We don't like to be told what to do. And we don't trust big government. It runs in conflict with attempts to resolve the issues that we're facing here.

We want to try to find a balance in Montana. We want to preserve open space, but we also want to preserve environmental quality, but we want to avoid red tape. This requires a lot of creativity.

For example, the Montana Land Reliance has been a real leader in using conservation easements to preserve farmland. In the past

20 years, Montanans have required conservation easements of over 500,000 acres.

Boseman and Gallatin County are trying their own different approaches, and the State is also doing a very good job in bringing leaders together Statewide. That helps all this.

So I hope, Mr. Chairman, these hearings—and I know they will—will help us find that right balance.

Two approaches I think are particularly constructive. First is, "Let's make the Federal Government a better neighbor." Right now, many agencies often work against the interests of local communities. For instance, they often abandon downtown areas that the community is trying to redevelop. I've seen this in many communities in my State. And we should reexamine Federal policies that contribute to sprawl. We've made some progress. For example, as you well know, Mr. Chairman, we tied highway construction more closely to environmental protection.

In addition, I've joined in asking the GAO to look at the effects of other Federal programs on sprawl, a report which should be done by mid-April, and that should help us even further.

Second, let's help local communities get more control over their own destinies. For example, the Administration has proposed Better America Bonds and land's legacy initiative. Senator Lautenberg on this committee has proposed legislation to help redevelop brownfields in inner city areas. And Senator Boxer and others have introduced bills to conserve opening statement and habitat and protect farmland. These are reasonable ideas and deserve careful consideration.

As I told EPA Administrator Browner a few weeks ago, I am particularly interested in the Administration's bond proposal. It would provide financial incentives for communities to preserve open space, reduce water pollution, and protect the environment in the ways that make most sense locally. But I also have questions. I want to make sure that the proposal is workable. I want to make sure that it supplements local control rather than displacing it. And I want to make sure that the initiatives are suited to the needs of various problems in various parts of the country, not just urban, not just eastern and western, and not just rural, but so it is tailored to suit specific local needs in specific parts of our country.

I look forward, Mr. Chairman, to exploring these issues and others and hearing from our witnesses. And I apologize for taking the time here to——

Senator CHAFEE. No, that's very interesting, Senator. Thank you for your remarks.

Senator BAUCUS. Thank you.

Senator CHAFEE. This is a very difficult field. For example, I think it was—was it you, Mr. Kauffman, that mentioned about Virginia, which, as I understand it, if a local community in Virginia—let's take McLean—wishes to impose a transfer tax of, let's say, 2 percent on real estate transfers to go into a fund for open space purchases, that's prohibited. You have to get the permission of the State of Virginia. And, you know, that's a Virginia problem. I presume that—and the arguments always are, "This is elitist. You're going to keep out—you're forcing up the cost of real estate."

In our State we've tried several different—trying to do this on the city level I think is difficult because I don't think you have much open space left except for your brownfields, probably. In our State, we're doing it on a State basis in our State, and, for instance, one of the things that has proven quite popular as far as the purchase of farmland is not to buy the farmland but to buy what we call the "development rights," not an easement. It's similar to an easement, to a degree, but let's say the land is worth $10,000 an acre as development and $2,000 an acre as farmland, we would say to the owner of the land, "We'll pay you $8,000 an acre. You will continue to own your farm and you will receive this $8,000 an acre, but it ever hereafter can only be used as farmland. You lose the development rights." That is expensive, but it keeps what few dairy farms we have going, and it is a good program.

Mayor, what I'd like to ask you is what would you do if you got—you know, there are a whole variety of bills that Senator Baucus mentioned, and others, but primarily it is the Land and Water Conservation Fund that people are looking to. Suppose you got some money with no strings attached but you've got to use it for the general theme we're on here, you can't use it to help your schools. What would you do with it?

Mayor Helmke. In the city of Fort Wayne we'd probably use it first for brownfields redevelopment. We've identified a number of sites. They are in areas that are close to where people live, close to where some schools are, but they have, in effect, become dead zones. And we have already put together some coalitions with bankers, with not-for-profits, with developers to do something with these sites and try to get the assessments and make sure that the pollution is taken care of, but to start building housing on these sites and then do these things.

So if we got flexible funds, I think we'd use them first to acquire this land, make sure that the land is properly assessed and cleaned up, and then start getting some productive uses out of it.

What we have found in our city and in cities around the country is that there are so many tax dollars lost, so many jobs lost by the fact that we can't redevelop these brownfield sites.

What I think is exciting about the bond program that was discussed is that, as I understand at least the initial drafts of this program is that it does give communities a lot of flexibility, which is the important thing. What's going to work in Fort Wayne might be different than what's needed in Providence, what's needed in other communities. And giving local communities the flexibility to design the program to their existing needs I think is the crucial one.

But if we can take care of brownfields, we can get more investment, we can get more jobs, we can get more tax revenue, and, most important, we can have stronger neighborhoods and that's going to make a stronger city.

Senator CHAFEE. But why would what you've described in any way fit under the rubric of preventing urban sprawl or preserving open spaces? Is your theory that if something went there it wouldn't go out in some lovely cornfield outside of——

Mayor Helmke. My theory is that if we find ways to help encourage investment in our cities, then they are less likely to automatically run to the cornfield or the soybean field.

What happens in my community—and we've got rich farmland around us—is that it is just cheaper and easier and quicker to buy that cornfield, buy that soybean field, and put the new development, whether it's commercial, industrial, or residential, in the cornfield. And we——

Senator CHAFEE. Then you've got all the expenses of the infrastructure, the sewers, the——

Mayor Helmke. Right. And what ends up happening is that eventually someone has to extend the roads, someone has to extend the water, someone has to extend the sewer, and then someone has to figure out how to get the workers who don't live there to those jobs.

That's why, if we can take away some of the barriers that are already there with the brownfield sites, we have the existing infrastructure. Water and sewer are there, roads are there. We've got other challenges—crime and perceptions of crime, racism in some areas. But if we can take away some of the barriers that, in effect, have been created by some Federal policies in the past, I think we can get the investment back in the city. That will help preserve the open spaces that are so important to all of us.

Senator CHAFEE. Mr. Kauffman, what would you do if you got some money? You are a county official, right?

Mr. KAUFFMAN. We get blamed for that, Sir.

I think we would take——

Senator CHAFEE. By the way, what does the county do? What is your jurisdiction? Do you run the schools?

Mr. KAUFFMAN. No. We do not have schools and we do not have law enforcement. Actually, our county is made up of 60 municipalities, one city of approximately 55,000. We have 16 boroughs, and the remaining are incorporated townships. Again, everyone has their own local zoning opportunities. We have comprehensive planning.

But to the question, I think we would really use two processes. First of all, I support the investment in our urban center, because, just for the reasons the mayor has said, if we keep our urban centers healthy, then we will keep the pressure off sprawl or utilizing cornfields and agriculture.

Senator CHAFEE. So that would mean what? Keep them healthy? How can you do it?

Mr. KAUFFMAN. We would to brownfields. I think, also, reinvesting in some efforts to reestablish businesses, to rehabilitate buildings, to do any of those things—parks in neighborhoods, quality of life issues. By the same token, we would also use dollars, I think, for the transfer development rights, as you outlined that your State is using.

What we'd do with those moneys then would be to take those transfer of development rights or property rights, if you will, and transfer them from a rural township to a suburban township, where there is sewer and water and infrastructure, and then encourage higher densities in those areas where the infrastructure is. So the purchase of those development rights are then sold to a developer who then reuses those to get higher density.

So ours would do, too. And our community is a bit different than some of my other colleagues in that we have a pretty large—we're kind of rural suburban. We have a population approaching half a

million. But we also probably have the No. 1 agricultural non-aerated land. We currently, in our county, have over 30,000 permanently preserved agricultural lands.

So we not only, I think, would attack what I perceive the issue that is there today that is the root, but also try to attack it from the other end, which is prevention.

Mayor Helmke. I'd like to mention, Senator, if I might, one of the things I had mentioned in my text. We're getting ready to release a second survey from mayors across the country on brownfields. One of the things we found preliminarily is that 110 cities that responded estimate that they could absorb more than 3.5 million new residents into their cities if we could do something about redeveloping brownfield sites, taking down some of those other anti-urban barriers. That's equivalent to 1 year's growth in the Nation's population.

Again, there are other barriers than just brownfields, but if we can find ways to use our existing city resources, our existing urban resources, to make that land attractive, those neighborhoods attractive, it can do a major thing in terms of preserving the open space that, again, our farm community and all of us want to see preserved.

Mr. KAUFFMAN. If I may also follow on, our city, which is about 50,000 people, is about——

Senator CHAFEE. Is that Lancaster?

Mr. KAUFFMAN. Lancaster. It is about 50,000 people. That's about the growth that we've had in our county in the 1990's. But that new 50,000 has taken 40 square miles rather than the seven square miles. So it's the way we've grown, the sprawl. And there's a clear, classic example of what sprawl has done. We've utilized six times the land than we would have in traditional patterns.

Senator CHAFEE. I know your county a little bit. I'm an ancient buggy aficionado, so I come up to the Martin auctions, which I believe are in Intercourse, Pennsylvania.

Mr. KAUFFMAN. That's correct.

Senator CHAFEE. And so I like your community very much.

Senator Baucus?

Senator BAUCUS. Thank you, Mr. Chairman.

I'd like your reaction, both of you, to the Better America Bonds proposal. Do you think that's a good idea? Or how might you tailor it or change it and so forth?

As you know, the Administration is suggesting allocating—basically it's an allocation. It would be an EPA allocation of tax credits, I guess, in the amount of the interest, and the credit would go to the purchaser of the bond, with the purpose of the bond I guess in various categories. Open space would be one. I've forgotten the others.

As you know, this is different from, say, industrial development bonds, which, under current law, there's an allocation according to a State's population, and I guess the States, themselves, decide which projects make sense within the State.

Your general thoughts on how Better America Bonds would help, the degree to which it would help address some of the problems that we're addressing here today?

Mayor Helmke. We've talked about this at the U.S. Conference of Mayors, had a number of our mayors, both Republican and Democrat, look at the idea, and we seem to like the idea. It is something—again, we're still waiting for more details, but, in effect, we're getting a loan, that we're paying back in 15 years with no interest. The fact that it is tax credits means that it is less of a burden on the Federal Treasury. And these seem to be available for projects that will make a difference.

I've talked to Carol Browner about the concept, and the thing that I find most exciting is that it preserves local flexibility. It doesn't tell us, "Clean up this site," or, "Use it for this specific purpose." It gives you the general rubric of what you need to deal with and then allows the local community to tailor those bonds to that community.

That's what we need more of. I see it as sort of the equivalent of community development block grant dollars, where general purposes are outlined. It is made available directly to the local community, and the local community decides how best to use that to help the local community. Here we are paying them back, so it is different from CDBG, but it is something that I think could make a major difference in our community, and at this stage we support it, I support it.

Senator BAUCUS. So you don't mind having EPA make the decision?

Mayor Helmke. As long as it is a general rubric and it allows us to make the decision on how we are going to implement it. As I understand it from my conversations with Administrator Browner, they wouldn't be saying, "Do this site. Don't do that site." They would say it's available for brownfields, they would say it's available for some urban park programs, they would say it is available for some open space type things.

Those sort of criteria I think are important.

As I understand it, we would be applying for these bonds and saying, "Here's what we want to use it for," and they'd be either granting it or not granting it. But we'd be the one who is defining what we want to use it for. And if that part is not in there, then we are not as supportive, obviously.

Senator BAUCUS. Commissioner?

Mr. KAUFFMAN. Well, Administrator Browner has also, as recently as a couple of weeks ago, addressed the National Association of Counties, and I would say there's certainly a fair amount of intrigue and interest in the program.

I think our concerns are simply along what the mayor has said, as we believe it has to be workable with local governments and what our plans are. It has to supplement what we do. And it has to be suited to areas. It has to have flexibility to allow each community—just as you heard with us this morning, there is just a difference of opinion.

The other thing I'd have to say is there is some fear. We're in part of a changing paradigm. We're talking about this partnership, and I think we really believe that, but, from local government's perspective, we're concerned when either the State or the Federal Government comes to us and says, "Trust us, we're going to help you." And I would wager to guess our citizens probably say, as we

as commissioners or mayors go to a citizens, ''Trust us,'' they have the same skepticism.

However, we believe it is worth looking at. We think there's certainly merit to it, provided it supplements what is happening in local government and it really is a choice of local government to decide how to use it.

What we've heard so far I think fits in the program of what the counties would look at. Again, flexibility and cooperation and complementing what we do are keys.

Senator BAUCUS. I appreciate that.

Mayor, would you support legislation removing State liability for perspective purchasers of contaminated brownfield sites?

Mayor Helmke. Quite definitely. When I was president of the U.S. Conference of Mayors, I made that my top priority item for the U.S. Conference of Mayors. That follows the tradition we've had with the Conference. Mayor Daley made it an issue. But it is one that I'm excited with the possibility that something is going to happen this session.

We did quite a bit of work on the House side last year with Congressman Boehlert's bill that would have removed liability for prospective third party innocent purchasers. That, to me, is the crucial thing to change how brownfields are treated.

Right now, it is almost impossible for us to get someone in there because of the fear factor. There might not even be any pollution on the site, but, just because they don't know, they don't want to touch it. And if we had that, I think we could do a lot.

And I think it is exciting that, you know, it has been tied up with Superfund, I know, and that's an important issue, too, but if we can move the—if we can't get it all, let's move the brownfields reform through. I think that would make a big difference in Montana, it would make a big difference in Rhode Island, it would make a big difference in Indiana. Every community has these brownfield sites and needs some help.

Senator BAUCUS. So that's one way we can help you——

Mayor Helmke. Definitely.

Senator BAUCUS.—plan in your local areas?

Mayor Helmke. Right.

Senator BAUCUS. And I don't know what we're going to do in Superfund. You're right that it is a little problematic. But if we can't get it passed, I certainly hope that we can get something passed, and this would helpful.

Thank you.

Thank you, Mr. Chairman.

Senator CHAFEE. Senator Crapo?

Senator CRAPO. Thank you, Mr. Chairman.

This question is for both gentlemen. I'm following up on the question asked by Senator Baucus with regard to local control and whether there is concern over having the EPA or any other Federal agency in effect determine how the funding can be used. And I appreciated your answers to Senator Baucus question. He echoed the very same introductory comments I did about how we in the west have concern about being told what to do and how to do it.

The question I have is, I just want to get a little further into the issue of how such a bond proposal could be administered, because,

even though there may not be a requirement that, say, the EPA in this case, tell exactly how the funding can be used, if the city or the county or the State or whatever government entity was requesting the bond or the grant knew that they would not be given the grant or receive the funding if they didn't fill in the boxes the right way and propose that they were going to use the funding the right way, don't you think that there still could be a very high risk that, just through the control of the purse strings, if the control was not very broadly used, that essentially we could get into a situation where the dollars were being designated by a Federal agency for the achievement of Federal purposes and that cities and counties were basically having to comply or not participate?

Mayor Helmke. You make a very good point, Senator. This needs to be a true partnership, and Federal purposes, as long as they're general enough, I think can work within the local communities deciding how to implement those purposes. And this is where the devil is in the details.

If there are so many strings on it, folks aren't going to apply for it because we're not going to want to jump through those hoops. We don't want to have to spend a lot of additional staff time filling out forms, filing out reports, meeting all those criteria, getting so many approvals that it doesn't make sense.

The concept is a good one. How it works is going to be the crucial thing for us. And the major things would allow as much local flexibility as possible, make the application, approval, reporting process as simple as possible, and make sure that it doesn't really cause more problems than it attempts to solve when you set it up, or we won't take advantage of it.

Senator CRAPO. Mr. Kauffman?

Mr. KAUFFMAN. I would echo that. I think the concern we have is a partnership. And, again, this is sort of a new thing we're talking about that we trust each other.

In our county, where we adopted urban growth boundaries without any implementing legislation, we basically sat down and discussed with each of our municipalities 23 boundaries and said, "How is it? What is it?" And I would tell you, each one of the 23 boundaries look a little different, financial resources look a little different. For some there were highway issues, for some there were park issues. And if that flexibility is not in this proposed bond program, I would see many county governments walking away from it, because there has to be that ultimate flexibility as long as we have as wide array as local government mixtures or there's just no value.

Having a Federal program that tells us how to do that, that really doesn't get us where we need to go.

Senator CRAPO. Do both of you really think the cities or the counties would walk away from those dollars——

Mayor Helmke. Yes.

Senator CRAPO.[continuing] If they didn't have the ability to exactly determine how they are going to be used?

Mayor Helmke. It depends how many strings are there. Again, general purposes, we can handle that. But being told how to do it—and, again, when I talked to Administrator Browner in January, she was saying part of this is to make it as flexible as possible for

the cities or for local communities. Whether that's what ends up in the legislation, though, is the crucial thing.

This gets back to my front door concept, you know. My citizens don't see differences between EPA, HUD, what this agency does. They see the overall picture, and we need to make sure it fits with that.

Part of our concern is that we've had so many frustrations with EPA in the past. I raised the issue a few years ago. It's great to see EPA encouraging brownfields redevelopment, but I was concerned that if they made their clean air standards so stringent that I could never get anybody to go to the brownfields site, and all we were doing was encouraging somebody to go to Montana and take good, clean air away again, and we don't want that. I'm sure folks don't like to see that.

Since then, we've been able to work with the EPA on some pilot programs where, in effect, credits are given if it is saving greenfield space by doing a brownfields redevelopment. I mean, there are ways to work it. But sometimes it's getting folks to realize that in the real world a lot of our citizens don't separate all these things into different jurisdictions, different agencies.

Senator CRAPO. I think it is very positive that we are all talking flexibility now, and what I wanted to do in these questions is flesh that out a little bit, because flexibility to one may not be flexibility to another.

Could I get you both to agree or at least comment on whether you agree with the notion that really what we are talking about here is a revenue-sharing approach in which there doesn't need to be much directive, if any, from the Federal Government as to the specific use of the funds other than the categories of use that may be authorized, and that it should be a true block grant type approach, as much as is conceivably possible.

Mayor Helmke. I think maybe it is a little closer to a community development block grant approach than the old revenue-sharing program, but, yes, outline a general purpose, and then allow the local community to find how best to reach that goal.

Senator CRAPO. Would you agree, Mr. Kauffman?

Mr. KAUFFMAN. I absolutely do. I want to reiterate I think most local governments would walk away if strings were attached, both some because they don't have the resources to comply initially to get the money, and second, the other side, those that have the resources are going to do it their way.

So, again, I'd look at this as an incentive program that is being talked about of how we get everybody talking about the same issues. I think the block grant concept certainly has a lot more merit—again, though, I would say if the entitlement or block grant or what you have passes through to the local governments. The problem is, if we go through State legislatures, unless there is some guidance, it may not be directed to all communities with that flexibility.

Mayor Helmke. Let me reiterate that. That's an important point, not only on this but on transportation funding and a lot of the other issues. We want the control to come back to the local level. That doesn't just mean the State House. We've got some great Governors. The former mayor of Boise is now there in Idaho, and Dirk

Kempthorne does a great job. But it is—rather than having to lobby all of our Governors all the time, if we've got good intentions and good programs, let's get it back to the local level without creating another level of bureaucracy, oftentimes at the State House.

Senator CRAPO. Thank you.

Senator CHAFEE. Senator Graham?

Senator GRAHAM. I hope it is not necessary for me to come to the defense of Governors.

Mayor Helmke. No, it isn't.

[Laughter.]

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

Senator GRAHAM. I feel there are a couple of characteristics that a proposal for Federal involvement in an area that previously has been a State and local responsibility that have to be articulated. One is: what is the rationale for the Federal role in this area? Two, is the Federal role going to be of a sufficient scale that it can have a meaningful and positive impact on that rationale?

So let me ask a question. Why do you think the Federal Government should become involved in land acquisition programs for the purpose of constraining urban sprawl and creating more urban open space?

Mayor Helmke. I think it is appropriate for the Federal Government to get involved in the issue of preserving open spaces and the issue of sprawl for two main reasons. But if you go too far into land control and zoning control, you're going too far. But, in terms of the general issue, I think it is appropriate for two reasons.

One is that Federal policies in the past have contributed to an anti-urban bias and have helped create the problem, whether it's the Superfund legislation that scared people away from brownfield sites or the transportation legislation that helped move people into the Naples/Fort Meyers area and then make that community burgeon in an area where a family used to have property.

Federal policies have contributed to this. EPA policies, wastewater policies, stormwater policies, stormwater regulations now basically encouraged folks to put their development outside my city limits because the stormwater regulations don't yet apply outside city limits.

There have been a lot of Federal policies that have an anti-urban bias, so I think it is appropriate for the Federal Government to try to correct some of the unintended consequences of some of that legislation.

Second, these are issues that cut across city, county, State boundary lines in many areas, and we need more of a regional approach oftentimes in helping to address those issues. But, again, the devil is in the details. I don't want local planning authority, local zoning authority taken away from my community, and I'm sure other mayors and county officials agree.

But to have a Federal partnership role, partnership position in helping with these issues, that's the way to go.

Senator GRAHAM. And what about the issue of is the scale of the Federal program sufficient in order to have an impact. And your rationale, at least on point one, was largely an almost remediation.

The Federal Government screwed things up through past decisions, and now needs to play a role in trying to put them back together. How large is that Federal role going to have to be in order to have an effective remediation impact?

Mayor Helmke. I think, just starting to play a role—again, as long as it is a partner role, as long as it is a role that allows flexibility—that sends the message to local communities and to others that there is a partner that wants to do something here.

The numbers we're talking about, whether it is in the bond program or in some of these other "livability" programs are fairly small dollars, but I think they send the message, as long as they don't attach too many strings, that the Federal Government wants to be a partner in dealing with these issues.

That, at least at this stage, is enough of a signal to me. It's not something where it needs major Federal dollars involved, but it needs to be a positive Federal partnership role, and I think it can make a major difference.

Mr. KAUFFMAN. Senator, if I may, I would like to piggyback on the issue of investment. I think clearly the Federal Government today spends a tremendous amount of money on remediation, whether it be brownfields, whether it is water quality issues, air quality, or stormwater issues, and I think the investment, if we don't start dealing with the root cause over here, I think will just cause the Federal Government and other entities to spend many, many more dollars to deal with environmental concerns for our grandchildren and great-grandchildren.

So I think it is highly appropriate to invest today to deal with the problems, but also put a portion of the investment on the root cause so that it will be a window at the end of the day that we can see out of and we can see progress being made, and ultimately the investment of tax dollars, all of our tax dollars, gets reduced.

Senator GRAHAM. My concern with the numbers associated with the proposals that are before us, I have a tendency to apply a 5 percent factor, because that happens to be the percentage that Florida is of the Nation's population, and I see a billion-dollar program, which would be $50 million in my State. Last year, our State probably spent $300 or $400 million of its own money on these open space programs. So with that scale it is hard to see that it is going to have the kind of impact against the problem that you described as the rationale.

Mayor Helmke. I see it, though, as pilot programs, and it does help get the attention of mayors and local officials. A similar thing with the HUD budget last year, where for the first time I think they just had $50 million in terms of brownfields—first time it had shown up in the HUD budget. It had always just been in the EPA budget. That's hardly enough to clean up a decent-sized city of the brownfield sites in any of our cities around the country, but it started to say, "This agency is going to play a partnership role, and hopefully get the attention in terms of changing regulations, bringing down barriers, working to do things."

I think there is importance and there's value in pilot programs that send that message. Oftentimes, that's what's needed to get State legislatures to move along, to get some of the local commit-

tees to realize, "Look, we can do this. Maybe it's not going to solve everything, but we've got a start here."

Mr. KAUFFMAN. Also, on that, we've done some programs within our county, both on open space preservation, farmland preservation, and transportation funds to local municipalities. I look at this as a leverage tool that the Federal Government uses to bring partners together.

In our transportation grants, we generally leverage both public and private dollars on top of the county investment about 4.5 times the investment. I also look, generally, in public parks it is 2 to 1 leverage, that for every $1 we get $2 back.

So I see this as a wonderful tool, and I don't think we should look to the Federal Government only to do this. I see this as—and hearing Administrator Browning, it's one of the things that I think she would like to see as a leverage. This is how you would apply for grants. How much money you brought to the table would certainly, if you will, give you points in the application process. It makes us work harder. That's truly how partnerships are formed and truly how we invest all our taxpayers dollars most wisely.

Mayor Helmke. We've had some brownfield grants—again, not very large dollars, but we've gotten the faith community involved, not-for-profit sector involved, private sector involved in helping to renew, rehabilitate some brownfield sites. Again, it is a small piece of the pie, but it encourages others to get involved with it.

Senator CHAFEE. OK, gentlemen. Thank you both very much.

Before you leave, just one quick question. Do you, in your city or in your county, now go out and buy open space? I suppose—my son is the mayor of a city of about 80,000, second-largest city in our State. Oddly enough, we have some open spaces left there, obviously not in the hundreds of acres, but in the 60-acres or so, so he has put forth bond issues, which the people have approved, to go out and buy these places to preserve them for open space. Do you do similar things yourself?

Mayor Helmke. We do two things. One is, inside the city we'll pick up some areas where it has been dilapidated housing, clear them, and create some open space inside the city in some situations, oftentimes in connection with trying to put a new project in there.

With our parks program, we've acquired property outside the city limits for open space in areas where we see growth coming from the city, so we've put investment both in sort of residential lots that have deteriorated as well as open space outside.

Mr. KAUFFMAN. We do. We invest several million dollars a year for purchase of development rights or outright agricultural preservation easements on agricultural land. Then we invest slightly over a million dollars a year on park land acquisition.

Senator CHAFEE. Boy, that's pretty good.

Mr. KAUFFMAN. Pretty much partnershipping with municipalities. Again, we have increased our agriculturally preserved land in the last 8 years from 10,000 acres to 30,000, our park land has increased from about 800 acres to slightly over 2,000 acres in the last 8 years. And every referenda question—and I think that's important—that has been in our community, which is perceived, I think,

as being pretty conservative, has had 75 to 78 percent approval rating.

Senator CHAFEE. Can't beat that.

Mayor Helmke. I'd like to mention real quick——

Senator CHAFEE. That's the kind of figures that Senator Graham gets when he's running for reelection.

Mayor Helmke. One of the exciting things here on this issue is that cities and counties are working together on this issue. On a lot of issues in the past, we didn't talk together. We've worked together on the Joint Center for Sustainable Communities that was set up a few years ago, both National Association of Counties, U.S. Conference of Mayors. We realize this is an issue where we have to be working together, not at odds with each other.

I think, with that sort of partnership at the local level and a partnership at the Federal level, we can make a real difference.

Senator CHAFEE. I think the point you've made here, that there has to be an effort on your part, too, I think in any of these proposals we've got it's not just 100 percent funds coming in your direction. I think there has to be——

Mayor Helmke. Definitely.

Senator CHAFEE. [continuing] Some contribution; otherwise, it makes life too easy.

Mayor Helmke. Generally, the larger share is really going to come at the local level, but I think a Federal role can help encourage a lot of that happening.

Senator CHAFEE. OK. Thank you all.

Senator BAUCUS. Mr. Chairman, I just want to say this last point about the leverage I think is a very good one. I don't think it is very well recognized, and I appreciate it.

Mr. Chairman, I think it has been a great panel, very helpful. And I would like, Mr. Chairman, if they could both think about the Better America Bonds proposal and give us your thoughts as to what would help make it work and, along with that, some of the points that you think we should try to avoid with it, because we need your direct experience. I mean, you're there on the front lines. You know what works and doesn't work, so if you could tell us how you'd like to see it put together, what some of the packages, guidelines, and provisions would be, that would be very helpful.

Mayor Helmke. We'd be happy to do that.

Senator BAUCUS. Thank you, sir.

Senator CHAFEE. Thank you very much.

Mayor Helmke. I'd like to say, Senator Chafee, too, we just want to thank you for your service, and we're sorry to see you retire.

Senator CHAFEE. Aren't you nice. Thank you very much. I appreciate it.

Mr. Moe, president of National Trust for Historic Preservation; Kathryn Hohmann, director, Sierra Club; Mr. Steve Hayward, senior fellow, Pacific Research Institute; Mr. Gary Garczynski, National Association of Homebuilders; and Mr. Nelson Rising, National Realty Committee—if you each would take your seat, and each will have 5 minutes.

Mr. Moe, why don't you go to it. We want to welcome you here.

Senator BAUCUS. Mr. Chairman?

Senator CHAFEE. Yes?

Senator BAUCUS. If I might just say something about Mr. Moe, I've known Dick Moe for many years. He's a very close personal friend, totally dedicated to service. He's served the Senate, he's served the Administration. He's now president of the National Historic Trust. I might add he's an historian of note. He's written a couple of history books.

I read your statement, Dick, and I was very much struck by your Churchill quote, but not surprised that you would come up with something like that.

Anyway, Mr. Chairman, we're very honored and we're lucky to have someone of his stature.

Senator CHAFEE. Well, I echo that, Senator Baucus. Mr. Moe has been a very active and efficient head of the National Trust. If you look at some of the—it is just a wonderful organization. I always think back that one of the great crimes of this century, I think, was maybe what stirred the formation of your organization, when Penn Station was torn down in New York City. As a child I can—well, not such a child. I believe——

Senator BAUCUS. I remember Penn Station.

Senator CHAFEE. [continuing] It was designed after the baths of Caracole, I believe, so they used to tell us. Is that true?

Mr. MOE. I believe it was.

Senator CHAFEE. And to have that torn down was one of the great architectural crimes of this century. Because of what Dick Moe is doing and his organization, hopefully things like that won't occur again.

Go to it, Mr. Moe.

STATEMENT OF RICHARD MOE, PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION

Mr. MOE. Thank you, Mr. Chairman, Senator Baucus, Senator Graham. I appreciate those kind remarks. I only regret that I now have to live up to them.

I really appreciate your convening this hearing today, because this is an enormously important set of issues that you are addressing, and we really applaud your leadership in this area.

Sprawl is a major concern for the National Trust because preservation these days is in the business of trying to save special places and the quality of life that they support, and sprawl destroys both.

Sprawl really has become a very important preservation issue because it tends to suck the economic and social life out of existing communities where most of our historic resources exist.

Now, there are, obviously, other factors—crime, bad schools, poor public services—that push people out of cities and contribute to sprawl, and those are the push factors. But sprawl, itself, becomes a pull factor, because once more and more economic activities leave the city, they pull even more behind them.

Our goal is to revitalize existing communities to reduce the demand for sprawl.

Sprawl is clearly a national problem and it needs a national debate, which you are helping to give it today, but the debate should not, in my judgment, focus on finding a national solution, because there isn't one. There are two essential elements in any effective program to combat sprawl: the sensible use of land and the revital-

ization of existing communities. These are issues traditionally and I think best handled at the State and local levels. In the end, that's where the fight against sprawl will be won or lost.

But the Federal Government also has a very important role to play in the process, because the decline of our cities and the rampant development of our countryside have both been facilitated by Federal policies.

Because the Federal Government has contributed so heavily to the problem, we believe it has the duty to help find solutions. Regrettably, there has been very little systematic review of how Federal policies have encouraged or perhaps even subsidized sprawl.

Even though there is a GAO study expected, as Senator Baucus mentioned—and we have hopes for that—if it is not as comprehensive and as thorough as we hope it will be, I hope this committee will continue its efforts to try to really determine the effects of Federal policies on sprawl. I think it is the single most important thing that can be done.

In summary—and I spell these out in greater detail in my submitted testimony—there are four ways that the Federal Government can help.

First, it should correct Federal policies that encourage or reward sprawl. Tax and transportation policies have historically played the largest roles in this arena, but other policies, particularly the siting of Federal facilities and the availability of Federal funds for rehab versus new construction, are important; also, the ready availability of things such as water and sewer grants.

Second, the Federal Government should reward States and communities that promote smart growth and help to revitalize existing communities, perhaps by designing a Federal smart growth score card that evaluates the effectiveness of States and communities in creating systems that favor sensible and sustainable growth and giving those entities an edge in the competition for Federal funds.

Third, the Federal Government should promote regional cooperation as a key to effective control of sprawl. When it comes to sprawl, city limits and county lines are often meaningless marks on a map. Efforts to control sprawl in a limited area often just shift the problem from one community to another.

Fourth, the Federal Government should provide incentives for reinvestment in existing communities and promote moderate- and middle-income home ownership in cities and older suburbs.

We and a number of partners, some of whom you will hear from tomorrow, representing a range of interests, are now coming together to form a coalition that will advocate for Federal policies and promote smart growth. We've identified a few issues, and I would just like to summarize them briefly.

First, the sound implementation of TEA–21 by the Federal and State departments of transportation, which, thanks to the leadership of you Senators and this committee, builds on the vision of ISTEA.

The passage of the historic homeowner tax credit, which you, Mr. Chairman, and Senator Graham are championing here in the Senate, and which I believe can do more to revitalize cities such as Providence, Helena, Miami, and many others, than any other thing I can think of.

The comprehensive implementation of the Presidential executive orders dealing with the citing of Federal facilities, which directs that Federal facilities should go into downtown areas, and, where possible, historic districts.

Passage of the Post Office Community Partnership Act, which Senator Baucus and Senator Jeffords have led the way on here in the Senate—a very important piece.

And several more, including the broadening and enactment of the Clinton Administration's proposed "Livability agenda." Specifically, we would urge the Congress to expand the eligible activities for the proposed Better America Bonds to include infill development on brownfields and historic preservation.

Thank you, Mr. Chairman.

Senator CHAFEE. Thank you, Mr. Moe.

Ms. Hohmann?

STATEMENT OF KATHRYN HOHMANN, DIRECTOR, ENVIRONMENTAL QUALITY PROGRAM, SIERRA CLUB

Ms. HOHMANN. Thank you, Mr. Chairman and members of the committee. I'm proud to be here representing the Sierra Club. My name is Kathryn Hohmann, and I'm the director of the Sierra Club's environmental quality program.

I'm gratified to be here, but disappointed to hear of your impending retirement. There is not an environmental statute out there that doesn't have your fingerprints on it. You've been an inspiration to us all.

Senator CHAFEE. Thank you very much. That's generous of you.

Ms. HOHMANN. I would like to start by saying that our board of directors every 2 years goes through a process where we poll our grassroots activists to find out what is of concern to them. As we did this polling process from California to Rhode Island, from Washington to Florida, we found out that sprawl was there on all of their concern lists. Even though we went from community to community and found out that each place was unique, in each place sprawl was ubiquitous.

So the Sierra Club has begun and we've kicked off a national top-level priority campaign that is called, "Challenge to Sprawl." I'd like to talk for a few moments about what that campaign is really going to consist of.

This work is not new. Our activists have been fighting the effects of sprawl for many years. From Connecticut's trap rock ridges and California's San Mateo Creek to Rhode Island's Narragansett Bay, folks have been challenging sprawl.

We are proud to say that we've had some real successes. For instance, in Utah our activists have been battling the Legacy Highway, a 1950's-style thoroughfare that would cut through the heart of the Great Salt Lake wetlands. We're happy to say that we've just had an interim success when the EPA came out in opposition to that highway, the Legacy Highway.

But our efforts expand from there. In Georgia we are working for more transportation choices in a city where people put on the most vehicle miles and a city that has lost its Federal share for highway dollars because of its air pollution.

Our efforts don't stop there. In our very own back yard here in the District of Columbia we have a program called, "Restore the Core," which hopes to funnel more resources into the urban areas so that we don't fuel sprawl. It's what Mr. Moe described as one of the pushes.

If we don't bring infrastructure dollars to our city centers, we can expect more sprawl.

Again, this program is nationwide. We have some efforts—even though we are trying to focus on a local level, we have some efforts that are national. We put out a report called, "The Dark Side of the American Dream," which listed the top sprawl-threatened cities across America. That garnered lots of media attention because people care so much about this issue. They see it affects their very lifestyle. They see themselves caught in traffic.

They know that, for example, in Washington, DC, the time commuters spend stuck in traffic climbed 69 percent between 1982 and 1994. And you can bet they didn't make up for those hours by trimming back on their work days. No, they trimmed back on the amount of time they spent with their families.

The effects of sprawl go beyond this, though. We're talking about air pollution and water pollution, city streets running off poisoned runoff into our water systems. Urban areas and our city centers are also threatened.

But there is good news, as well. There is bipartisan support behind this issue. There is a mandate coming from the public to work on sprawl.

From coast to coast in this last election there were 150 ballot measures, as the chairman mentioned, about growth management, open space, and those sorts of measures.

In New Jersey, voters, even in the State's famously tax-averse republican counties, asked overwhelmingly to approve the use of $1 billion in tax revenue to conserve open space and farmland.

How can we solve this problem? Will there be a Federal role?

Well, the Sierra Club believes that there will be, but sometimes what is needed is not more government but more government leadership. Sometimes the Federal Government just needs to get out of the way or reform policies that create perverse incentives that fuel sprawl—policies like the ones that our colleagues mentioned about stormwater, which pushes—again, one of the push factors—pushes development out of our city centers and creates more third-, fourth-, and fifth-ring suburbs.

There are some positive things that the Federal Government can do, as well. The Sierra Club is especially inspired by the Better America Bonds program, the idea that is being floated by the White House. We think that this program will get us off the ground forging partnerships with communities. We ask why, in a country that has for many years used bonds to create roads and bridges, why we can't use bonds to create open spaces, greenways?

We think that this program is a great first step. It will provide $700 million in new tax credits. But that money would really be bigger, would expand as we go. There's a magnifying force here that would, over 5 years, leverage nearly $10 billion in bonding authority for communities to shape their futures in ways that are healthier, greener, more stable.

We are looking forward to working with this committee as you grapple with this important issue of sprawl and thank you again for asking us to testify.

Senator CHAFEE. Well, thank you very much, Ms. Hohmann.

Mr. Hayward, Senior Fellow, Pacific Research Institute for Public Policy?

STATEMENT OF STEVE HAYWARD, SENIOR FELLOW, PACIFIC RESEARCH INSTITUTE

Mr. HAYWARD. Thank you, Mr. Chairman.

I think maybe the best way to begin putting the current debate on sprawl into some context is to make recourse to that proverbial barometer of the American soul, the taxi driver. Not long ago I was in a taxi on my way from Lindbergh Field in St. Louis out to St. Charles County, which is where the growth is taking place in the St. Louis region. Trying to get some local insight, I asked him what he thought was going on, what he thought about what was going on. And he said, as so many people say, "Man, they're building so fast out here that if they keep building like this there won't be any land left."

So I asked him where he lived, and he said, "Well, I live down in the city of St. Louis," but he added, without any prompting from me, "I'm going to move out here. The quality of life is so much better. You get so much more value for your housing dollar out here." And that, I suggest, is what social psychologists have longed called "cognitive dissonance"—the ability to keep two contradictory ideas in your mind at the same time and be untroubled by it.

Jim Johnson, who just retired as the chairman of Fannie Mae likes to say, more elegantly, I think, "The American people are against two things. They're against sprawl, and they're against density." So now we go and try to sort that problem out.

What I want to suggest is that there's a lot of cognitive dissonance at work on this issue, quite a bit of misperception, and a lack of proportion about our current discourse about this.

I'd like to start this way, in what I'll describe in a minute as an irrelevant fashion, by making reference to aggregate land use statistics. We hear a lot about, you know, million acres here, 10 million acres here. The total amount of urbanized land in the continental U.S. is less than 5 percent of the total area. And, based on some figures that are now a little outdated—and we'll have some better ones in about 2 months from the U.S. Geological Survey—we develop every year about .07 of 1 percent of the land area of the continental U.S.

There's even some evidence that the rate of sprawl may be slightly lower than it was in the 1960's and 1970's. There is a sprawl index that is used a lot in these discussions that is sort of a rough comparison between rates of population growth and the rates of urbanization, and it is a fairly crude and not very good measure, in some ways, but the point is that that measure has been declining since 1980.

One last fact. In 1969, there were about 2.6 acres of land specifically designated for parks and wildlife and wilderness conservation for every acre of urbanized land in the country. Today there's about four acres of land designated for parks, wilderness, and wildlife for

every acre of urbanized land, and those figures don't include our national parks, by the way.

Now, these are the kind of aggregate figures that I say are irrelevant to the politics of the issue, because the acres dwarf the human scale.

I'm reminded of President Roosevelt's famous quip about critics of the long-run effects of the New Deal. He used to say, as you might remember, "People don't eat in the long run, they eat every day." Similarly, every piece of open space that yields to the bulldozer in this country is in the line of site of a populated area where people live, and the change and disruption it brings trumps the fact that the land area may be statistically very small.

I think it is the aversion to rapid change that's the dominant social fact behind the controversy over sprawl, and it is enhanced and magnified by a second social fact of modern life today, and that is that in all other areas of life we have increasing latitude for choice and control over our lives. Thirty years ago we didn't own our own phones. They were the property of the phone company. Today we choose our own long distance service. And next year we may choose our own electric power generator. Right?

And so what we're seeing in city life, it seems to me, is that people feel that their range of choice and control is diminishing. Most acutely, we aren't able to choose where and when we are able to drive in the same way we used to because of traffic congestion. And people have a sense of what they can't control events, themselves, they wish someone else would do it, typically the government.

Now, my opinion is that most of the ideas that make up the conventional wisdom at the moment, such as urban growth boundaries and, to a lesser extent, the bundled ideas that go forward under the banner of smart growth, are misguided because I think they misperceive a lot of what is going on, especially the major traffic congestion. But also I think as remedies they would not be that effective in solving the main problems associated with growth.

Why this is so takes a long time to go through, so let me just mention what I think is the single most important reason for being cautious about embracing ambitious land use schemes or other measures that might distort our land market.

It seems to me that a century of regulation has taught us that regulation typically favors the affluent and organized over the less-affluent and less-organized, and there are few groups less-organized and represented than the people who would benefit from new houses and new jobs.

Now, most smart growth advocates will tell you that this is not a debate about growth, per se, but it is a debate about the form growth should take. And, while I take them at their word at this and believe they are quite sincere about it and right in many aspects of their critique, I think we are naive if we fail to recognize that growth management schemes often become the machinery of negation for existing residents.

To pick a local example, the angry voters attending Fairfax County Commission hearings out in the suburbs here are not angry because of the form of development. What a lot of them told the "Washington Post" a few months ago is, "Our housing values are

stagnant because the county is allowing too many houses to be built, and we'd like to see fewer of them built.''

Everyone's favorite model right now of enlightened growth management is Portland, Oregon. It strikes me that it is starting to show some of the same kind of exclusionary effects you've seen in some boutique regions like Boulder, Colorado, Santa Barbara, Marin County, and so forth.

In my testimony I've attached a little table that shows comparisons of housing prices between Portland and other sprawling cities like Phoenix and Las Vegas.

Since the red light is on, I'll stop right now.

Senator CHAFEE. Thank you very much.

Mr. Garczynski on behalf of the Homebuilders?

STATEMENT OF GARY GARCZYNSKI, VICE PRESIDENT AND TREASURER, NATIONAL ASSOCIATION OF HOMEBUILDERS

Mr. GARCZYNSKI. Thank you, Mr. Chairman. My name is Gary Garczynski, and I am currently the vice president and secretary of the National Association of Homebuilders. I am a builder and land developer in Northern Virginia and have worked in this industry for nearly 30 years. I am currently developing some infill projects in Alexandria and Fairfax County, and have served as the president of the Northern Virginia Transportation Alliance and serve at the pleasure of Governor Gilmore and Virginia's Housing Study Commission.

If I could take 1 second, though, on behalf of the 197,000 firms and its members across the country, we would be remiss if we did not acknowledge your contributions, Senator, over many years of service. We haven't always been on the same side of issues, but you've always conducted yourself as a gentleman and a dedicated and committed public servant and our hat is off to you.

Senator CHAFEE. That's very kind of you. Thank you.

Mr. GARCZYNSKI. Now, the notion of smart growth, AKA sensible growth, sustainable growth, has certainly exploded on our national consciousness as one of the most critical issues confronting America today. As has been mentioned, it has been on over 200 ballot initiatives and is likely to be a national platform issue for both the republican and democratic candidates.

Its impetus developed from population pressure, rising housing demand, fragmented regional governance, personal housing preference, suburban employment centers, which have made outward expansion seemingly inevitable. It touches what all of us Americans hold close to our lives—where we live, how our children are educated, our commute time to work, and the economic and job opportunities created by growth in our communities—in other words, our quality of life, or, to be more politically correct, ''livability,'' and its resulting frustration has strained our fiscal, social, and environmental well-being.

Smart Growth should address the questions of how best to deal with the components of growth, and motion, economics, and the politics of growth.

From the NAHB perspective, we need to build an acceptable consensus of the definition of smart growth amongst government officials, community activists, builders, developers, environmentalists,

bankers, and the voting public, because the benefits of growth are being degraded by the cost of growing badly.

Education on the smart growth principles and cooperation among its stakeholders on the benefits of smart growth is the only way toward overcoming barriers and reaching sustainable development goals.

With that preamble, we at NAHB believe a definition of smart growth should give serious consideration to the following factors.

No. 1, no growth is not an option. Population and immigration figures can tell us that over 1.3 million households are created in this household yearly. Economic development must also be considered. There isn't a State or Governor in this union who doesn't have that as a goal for his constituency. It means jobs and it means benefit to the stakeholders.

For instance, in Virginia our $1 billion surplus generated by new employment centers has led to no car tax, lower State college tuitions, and better school funding.

The consensus is that we must bring people together and not polarize them. There shouldn't be a brawl over sprawl. The smart growth movement should not be about telling Americans how they should live and work or about sacrificing their individual values to the values of their politically powerful betters. It should not be coercive or moralistic, but open and inclusive. It should consider market sensitivity, where people and how people want to live, the fact that people prefer a detached single family home in a suburban location.

In survey after survey, consumers continue to state that. As a matter of fact, we've just finished one where 80 percent state that that is still their preference.

We do have a high home ownership rate in this country, the highest it has ever been—67 percent—but there is still a great majority of Americans, first-time buyers who still have not tapped into that home ownership. And now, through programs such as Fannie Mae and Freddie Mac and HUD that have made available to first-time buyers, a large number of African Americans, Hispanics, and other minorities shouldn't be shut out from the opportunity of owning a home.

Now, infrastructure development should also be taken into that account. Let's face it, much of the public outcry over growth revolves around three issues: traffic congestion, overcrowded schools, and disappearing open space.

If we can solve the infrastructure problem by a balanced and equitable funding source, we can solve a lot of the rhetoric that occurs over no growth.

I'd offer an example. How many counties or cities have what we call "capital improvement plans," but no capital improvement budget for a funding source to back them up?

We, as builders, have been caught in the middle of this issue. For years we have been pushing on good planning policies such as clustering, small lot development, higher density, and broad-based and equitable ways to pay for major infrastructure improvements.

I know my time is up, but I want to emphasize we want to be at the table. We have been at the EPA, ULI, Smart Growth Conferences—the first one was in New England, as Senator Chafee

probably knows, and there are going to be a series of 11 more around the country. We were there at the plenary sessions. Our members are there to get involved in the dialog.

We aim to be centerist and be involved to the answers and solutions to smart growth because it is to our benefit as builders. We don't want to wear the black hats in this, Senator, and we intend to make sure that we offer a balanced approach to what is rapidly becoming an increasing challenge to the American public.

Senator CHAFEE. Well, I think it is fair for you to request being present at the table. You've got a big stake in this, and certainly any activities I'm involved in with this will make sure that you stay involved.

Mr. GARCZYNSKI. Thank you.

Senator CHAFEE. Mr. Rising?

STATEMENT OF NELSON RISING, CHAIRMAN, ENVIRONMENTAL POLICY ADVISORY COMMITTEE, NATIONAL REALTY COMMITTEE

Mr. RISING. Thank you, Chairman Chafee.

I'd just like to echo the comments that were made earlier today about what a great role you have played in heightening the awareness on environmental issues in this country, and we'll miss you in your retirement in the dialog.

Senator CHAFEE. Thank you. Thank you very much.

Mr. RISING. My name is Nelson Rising. I'm the CEO of Catellus Development Corporation, a San-Francisco-based, publicly traded, diversified real estate operating company with holdings extensively throughout California, Dallas, suburban Chicago, Denver, Portland, and Phoenix. We are developers.

I am speaking today on behalf of the National Realty Committee, the NRC. Our members are a round table of the top leaders of public and privately held real estate companies, including owners, builders, lenders, managers, advisors, and investors.

Our industry, not just our members, has a stake in well-planned smart growth. I can tell this committee from personal experience a well-planned community with strategies for preserving quality open space and adhering to the principles of smart growth offers better real estate investment opportunities than communities with less planning discipline.

Today, State and local governments throughout the country are attempting to establish policies that will encourage rather than discourage smart growth. Higher densities near employment centers and transit, convenient retail and entertainment uses near residential districts, increased open space, and pedestrian-friendly urban design solutions are all part of that dialog.

As a Californian, I am particularly concerned about smart growth. The Census Bureau tells us by the year 2025 California will add the equivalent of the current population of the State of New York. This expected growth——

Senator CHAFEE. Wait a minute. Let's have that one again. That's an astonishing figure.

Mr. RISING. It is an astonishing figure. Nineteen million new people are projected from the year 1995 to the year 2025. That's

the current population of the State of New York added to the country's most populous State.

Senator CHAFEE. What's the population now? Let me guess.

Mr. RISING. About 32 million.

Senator CHAFEE. I was going to say 40. What is it, 32?

Mr. RISING. Yes. It will put us over 50 million people by the year 2025.

And that growth and growth in other areas, which is inevitable in this country, the NRC believes can only be accommodated if we successfully adhere to the principles of smart growth.

Today the issue before this committee is: what can Washington do to respond to the public's growing demand for smarter growth and more open space?

Clearly, local governments need to chart their own courses in land use matters, but the NRC believes that there is an important role for the Federal Government. The Federal Government can advance policies and legislations that will provide State and local governments additional resources to grow smarter. It can assist in increasing the amount of critical open space, and it can encourage, rather than discourage, brownfields and urban core redevelopment, thereby reducing pressures on greenfields. And it can reform existing Federal laws and policies that inadvertently impede the ability of States and local communities to grow in smarter ways.

While Washington can help, it is important to stress again that the parameters of the Federal role need to be carefully defined to ensure the paramount role of local governments in this area.

With respect to increasing our open space, the NRC supports the bipartisan effort now underway to fully fund the Federal Land and Water Conservation Fund.

In addition, we also suggest the committee give the Administration's Better America Bonds proposal serious consideration that it deserves. Its basic premise seems to be to us to be a good one: to offer local governments the resources to help gain the leverage that additional bonding authority can provide.

With funds from the bond issues, local governments can make their own decisions about open space preservations, redevelop their own brownfields properties, and address other environmental issues.

Bond financing, whether locally or federally subsidized, is, in our view, not only more cost-effective, but also a more equitable way than using current appropriations of tax dollars. It allocates the cost of acquiring greenspace over the life of the bonds, and in that way ensures contributions from the current and the next generation.

There are several ways the Federal Government can encourage development of brownfields and redevelopment of our urban core. The provisions of Senator Smith's Superfund bill from last Congress and the provisions in Senator Lautenberg's current standalone brownfield bill, S. 20, would go a long way toward removing the specter of Superfund liability from the potential brownfields transactions.

Business, municipal, and environmental groups have all pointed that uncertainty regarding possible Superfund liability remains a

factor in favoring development outside urbanized area into so-called ''greenfields.''

The law of unintended consequences should be considered by this committee as you evaluate existing legislation that inadvertently impedes the ability of local communities to grow in smarter ways. The provisions of Senator Baucus bipartisan Endangered Species Act bill approved by this committee in the last Congress dealing with habitat conservation and no surprises assurances would, in our view, facilitate smart growth.

In a similar fashion, wetlands programs need to include a safe harbor for projects that advance smart growth.

To summarize, the NRC believes the objective of achieving smart growth needs to be factored into the implementation of Superfund, the Clean Water Act, and the Endangered Species Act, as well as expanded Federal assistance in acquiring critical open space.

While not under the jurisdiction of this committee, I would be remiss if I did not point out that certain Federal tax policies can also undermine the smart growth agenda. There are three examples of this which I have put in my written submittal, so I will not repeat them here.

Senator CHAFEE. Why don't you just touch on them briefly? These are the tax suggestions.

Mr. RISING. Well, Mr. Chairman, the tax suggestions that I would call to your attention first would be the ability to expense the cleanup cost rather than capitalizing them. As it relates to nonhistoric buildings, many infill sites have nonhistoric buildings on them that are not slated for restoration, but that the demolition costs are treated as being added to the basis in the land, and therefore make it less attractive to develop an infill site with a nonhistoric structure than going out to the greenfields.

And the third issue, which is a very important issue, is that the way the tax treatment of building improvements, especially building improvements that would be energy efficient, are amortized over the life of the building, as opposed to over the life of the improvement, artificially increasing the cost that would be associated.

Senator CHAFEE. You mean you think it should be deductible in a couple of years or something?

Mr. RISING. Well, in the life of the—during the life of the particular improvement. For example, the average lease in the building is 7.3 years, and the tenant improvements are depreciated over 39 years.

Senator CHAFEE. I see.

Mr. RISING. So the NRC is suggesting a 10-year depreciation for building improvements, which would have a tremendous advantage in rehabbing buildings in the urban core and make it less attractive to——

Senator CHAFEE. Go outside.

Mr. RISING. [continuing] Rehab buildings on the suburban fringe.

Senator CHAFEE. Well, I suppose, Mr. Moe, you favor that. You mentioned taxes in your discussion, too.

Mr. MOE. Yes, Sir. I would strongly support what Mr. Rising is saying. I think the tax code, in many cases, inadvertently discourages the rehabilitation of existing buildings, both historic and nonhistoric, and with slight modifications——

Senator CHAFEE. Because of what, this amortization period?

Mr. MOE. Yes, I think in part. But I think more subtly it encourages new construction over rehabilitation in a lot of ways, and that's why the tax credit that you and Senator Graham are supporting I think would go a long way toward redressing that in the tax code.

Senator CHAFEE. I'm going to poll you all here. Just raise your hands.

It seems to me, as we've had this discussion here today—you've heard the previous testimony of the county official and the mayor—everybody seems to agree that we ought to do something about helping the local communities clean up these brownfields. That's a given, isn't it? Everybody wants that.

But the theme of much of this legislation that is coming forward, as proposed by the Administration, is open spaces. But these brownfields would, once cleaned up, I think the objective, as certainly the mayor pointed out, would be to get another industrial facility or manufacturing facility in there. It wouldn't be an open space. It's not going to be a park, apparently. Is that what you gather?

Mr. GARCZYNSKI. Senator, on behalf of the homebuilders, I would hope that, if brownfields remediation and then the liability issue could be taken away, that, not only for industrial/commercial, but a revisit of housing into the city, a good mix of housing, because I think the revitalization of any city depends on having a balance of housing types, and what better example do we have than right here with what Mayor Williams is doing with Washington? A full range of housing types are coming back into this city within the next year or two. So I hope brownfields could be developed into residences, as well as industrial/commercial sites with that liability factor addressed.

Senator CHAFEE. Mr. Rising, what cities have—you ticked off some cities there that you think have come back, are doing a good job. As I recall, you listed San Francisco, Portland, Boston. I guess I've got the page here. You mentioned San Francisco, Portland, Boston, New York, and Chicago.

Mr. RISING. Yes.

Senator CHAFEE. You think they've done a good job in—but certainly there's nothing to do with open spaces in any of those cities.

Mr. RISING. What's interesting about that, in my written submittal I talked about the reurbanization of America and how important that is to deal with the environmentally sensitive ways to deal with our growth, and the renaissance that have taken places in the cities I listed in my written submittal is really quite remarkable.

There are common characteristics. First, you have attractive residential uses located near jobs. You have retail and entertainment uses located near residential districts. You have attention to the public realm. And you have open spaces that are open to the public and accessible to the public in all the cities I've mentioned.

What has happened is, because of the realities of the commute time, because of the realities of the two-income families, because of the realities of life in this decade and moving on to the new millennium, people are recognizing that cities that are livable are an at-

tractive place to live, and in many cases far superior to the commute that they were facing as an alternative.

I think that——

Senator CHAFEE. Now, for instance, just take San Francisco, which obviously you know a lot about.

Mr. RISING. Yes.

Senator CHAFEE. Are you suggesting that jobs for these bright college graduates who have been to Berkeley or whatever it is and then decide to live in San Francisco, where would they work? I mean, you always think of the Silicon Valley, and that's a long way from San Francisco. What is it, three-quarters of an hour or something?

Mr. RISING. About that, Sir. The interesting point about a smart growth principle, one of the most important ones, is locating residential near transportation corridors.

We happen to be developing the largest property in the history of San Francisco, with some 6,000 residential units, and we are immediately adjacent to the CALTRANS station which connects with the Silicon Valley. So we expect that our residents——

Senator CHAFEE. This is in San Francisco, this development?

Mr. RISING. Yes.

Senator CHAFEE. Wow.

Mr. RISING. And so what we are looking at is the notion of the transit, which links to the South Bay the Silicon Valley, so we look that our residents will be, in some cases, living in the Silicon Valley taking trains, in other cases working in the CBD taking the mini-metro. But transit orientation to us is one of the critical ingredients to a smart growth agenda.

Senator CHAFEE. Now, would those people take a subway or whatever it is, a train, to Palo Alto or Silicon Valley?

Mr. RISING. We believe they will, Sir, because I think the alternative of the commute, the unproductive commute by automobile, especially a single-passenger automobile, is just an unacceptable alternative.

Senator CHAFEE. How long would it take them, roughly, if they got on the train?

Mr. RISING. Less than 45 minutes and more—depending on time of day, more than double that by car.

Senator CHAFEE. Mr. Moe, I think that it seemed to me that historic preservation tax credit is an important thing. The objective would be to rehabilitate the buildings in the inner city so people would come there and live.

Mr. MOE. Exactly. Mr. Chairman, the existing historic rehabilitation tax credit that has been in effect since the late 1970's has accounted for more than $17 billion in private investment and the restoration of more than 26,000 buildings, most of them for affordable housing.

We think that the legislation that you and Senator Graham are sponsoring could do the same for privately owned residences. It would do more to keep people living in inner city neighborhoods by revitalizing the historic resources that are there and attracting more middle class people back to the cities, which they all desperately need.

So there is no question but that we think historic preservation can play a major role in revitalizing cities and reducing the demand for sprawl.

Senator CHAFEE. Well, thank you all very much. There's a lot of meat in your testimony here, and we'll look that over carefully. Some of the things are tougher than others. Obviously, the tax policy is out of our jurisdiction. When you get into that rapid depreciation, it is very expensive. Now, maybe it is a one-shot deal, but it is expensive. And immediately you get confronted with, "Where is your office at? How are you going to pay for it?" Those are the problems we run into.

This has been very helpful. We thank you all very much for coming. Thank you.

[Whereupon, at 12:09 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Additional statements submitted for the record follow:]

STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Good Morning. Before I get to the substance of today's hearing, I would like to say a few words about our distinguished Chairman, Senator Chafee.Since we were last together, Senator Chafee announced he will retire at the end of this session. I have some experience with that!

John, I know this was probably a hard decision. I know you will spend the next 2 years working hard at this job, as will I, and I hope we can work together on brownfields and other issues as a legacy.

Certainly your service on this Committee has been a focal point of your work in the Senate.

Your contributions are many and will long be remembered. You have often been a voice of reason in our deliberations and I hope we can work productively together in the next 2 years.

Many of the environmental challenges we now face are complex. Your decision to hold these hearings on open space and so-called "sprawl" issues recognize the changing face of America. I also regret the Budget resolution markup has prevented my attendance.

As you know, I have long been interested in the issues of growth, transportation and environmental protection. The bills discussed in this hearing are important, and I have cosponsored one of them. However, I would also like to call attention to S. 20, my brownfields legislation, which has been mentioned by many of our witnesses.

Mr. Chairman, on January 19, 1999, I introduced S. 20, the "Brownfields and Environmental Cleanup Act of 1999," along with 22 other Senators, including many of our colleagues from this Committee.

This legislation is designed to help turn abandoned industrial sites into engines of economic development. Significantly, it would also create open space and avoid sprawl because it encourages smart growth and the re-use of industrial sites.

Mr. Chairman, I have been interested for a long time now in the issue of these abandoned, underutilized and contaminated industrial sites, commonly known as "brownfields."A brownfields cleanup program can also spur significant economic development and create jobs.

In fact, the nation's Mayors have estimated that they lose between $200 and $500 million a year in tax revenues from brownfields sitting idle, and that returning these sites to productive use could create some 236,000 new jobs.

Despite the traditional connection of Brownfields with cleaning up urban areas, this issue is truly linked with the issues of sprawl, smart growth and environmental quality for all of our citizens. "Brownfields" as we have come to know them, can be found anywhere—in the inner cities, the suburbs and in rural areas.

And every time a business leaves a brownfield behind, and moves to a new location, it creates a contaminated urban "dead zone." It also contributes to sprawl, occupies a "greenfield," with widespread impacts on transportation, air quality, open space, park lands and farmlands.

Re-using brownfields—often lightly contaminated areas—for industrial purposes is positive from a whole host of perspectives, and I am committed to encouraging it.

This type of cleanup makes good environmental sense and good business sense.

My bill, S. 20, would provide financial assistance in the form of grants to local and State governments to inventory and evaluate brownfields sites, and to establish revolving loan funds for cleanup of these properties. It would therefore enable interested parties to know what would be required to clean the site and what reuse would best suit the property.

The loan funds would be loaned to prospective purchasers, municipalities and others to facilitate voluntary cleanup actions where traditional lending mechanisms may not be available.

The bill also would limit the potential liability of innocent buyers of these properties, and it would set a standard to gauge when parties couldn't have reasonably known that the property was contaminated.

It would also provide Superfund liability relief to persons who own property next door to a brownfields property, so long as the person did not cause the release and exercises appropriate care.

Mr. Chairman, for several Congresses there has been bipartisan interest in addressing brownfields, both in the Senate and in the other body on the other side of the Capitol.

I am hopeful we can move this legislation forward in a cooperative way with support of Members on both sides of the aisle and begin to protect both the health and jobs of our citizens and our open spaces for future generations.

I thank you for the opportunity to discuss this important issue, and I urge my colleagues to support this legislation.

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

Mr. Chairman, members of the committee, thank you for the opportunity to speak on the issues of open space and environmental quality, an issue that is very important to the state of Florida.

Over the last 50 years, more than 8 million acres of forest and wetlands in Florida, 24 percent of the land area of the state, were cleared for development. Florida's population increased by more than 15 percent in just the last 8 years. The Sierra Club has identified five cities in Florida as being among the ten cities of their size in the Nation most affected by urban sprawl. In 1997, over 47 million tourists visited Florida, spending $41 billion to enjoy our natural environment and quality of life. As these statistics indicate, growth, sprawl, and environmental quality are issues of great concern to Floridians.

In response to this tremendous growth in the human population, and in order to preserve the natural environment of the state for future residents and visitors, Florida created the Preservation 2000 program in 1990. This program has resulted in the protection of one million acres of land to date, and has expanded recreation opportunities, enhanced eco-tourism, and brought new economic growth to the state. Under Preservation 2000, the state works with local governments and non-governmental organizations to protect recreational lands, preserve water quality, and support state forests, parks, wildlife management areas, and greenways and trails.

I understand that some of our speakers will be addressing various proposals for the Federal Government to support open space and environmental quality initiatives similar to Florida's Preservation 2000, and I look forward to discussing the merits of these proposals and working with the members of the committee to identify an appropriate Federal role.

STATEMENT OF HONORABLE PAUL HELMKE, MAYOR, FORT WAYNE, INDIANA

Mr. Chairman and members of the committee: I am Paul Helmke, Mayor of Fort Wayne and Past President of The U. S. Conference of Mayors.

The Conference of Mayors represents more than 1,050 cities with a population of more than 30,000.

Mr. Chairman, let me first thank you and other members of this committee for holding these hearings today. "Livability" provides a timely context for discussions on a number of issues of concern to the nation's mayors and the citizens we serve.

When mayors speak of "livability," they talk about reducing crime, improving public education, helping kids and adults secure better job and housing opportunities, improving the delivery of public services, recycling brownfields, enhancing the local environment, improving parks and libraries and making transportation systems work for people. These are the issues squarely before local elected leaders and largely drive our agenda.

To support the committee's consideration of these issues today, my statement will:

provide some general observations and perspectives on livability from the mayors' vantage point; offer some suggestions on the challenges specifically before this committee, given your influence over Federal surface transportation, infrastructure and environmental programs, areas which are increasingly singled out in this debate; and review some of the key issues on the mayors' agenda which I believe relate to this broader debate.

Mayors' Perspectives

Mr. Chairman, we don't have a complete definition of "livability", but as a mayor, I know it when I see it. And, certainly, I know it when I hear it, and it is something that is very much on the minds of the voters in local communities.

For mayors and other local elected officials, you might say we are in this business. One of the reasons we are here today is that citizens in a very grassroots way are demanding something more from all of us, their elected leaders. They want us to work harder to help improve their quality of life, not just their standard of living.

All of this is pushing what have been historically locally oriented issues on to the political agenda of State and Federal leaders, forcing elected officials at every level to respond, and to be aware of how past and current policies have sometimes created problems at the local level.

In effect, voters are forcing their national legislators and leaders to examine these Federal policies and respond to some of the same concerns which have been before me, other mayors and local officials. As a mayor, I would welcome your attention to these issues and a more thorough examination of how these Federal policies influence the lives of local citizens in their communities.

For some time, we have been urging partnerships with Federal and State governments that genuinely respond to local needs and interests. It seems that the "livability" concept provides a place-based and people-based context for your review of issues that come before this committee, be it transportation, air quality or water resources.

Mr. Chairman, contrary to some statements in the press, this definitely is not a top-down movement. It is a local citizen or grassroots movement, driven by all types of conditions throughout the country. As a local official, I can assure you that this is not a Democrat, Republican or Libertarian issue.

It appears this message is being amplified by the confluence of two population segments. People in newly developed areas are clamoring for improved services, managed growth and some relief from the increasing burdens of auto dependency. People in built communities—largely central cities, inner ring cities and urban counties—want more help for their particular needs, like updated infrastructure and facilities, including rehabilitation of parks and libraries, and pedestrian- and neighborhood-oriented improvements. People in existing communities also expect more attention to their needs now that we have spent more than two generations investing in and building up the suburbs.

After much anxiety in dealing with the nation's economic restructuring over the past several decades, there appears to be more confidence about our economic future and, collectively, our voters are demanding more attention to issues affecting their quality of life.

What is new about this issue is that it is finally finding a place here in Washington, where debates have focused on sometimes more distant matters. The front door issues—those issues before you when you open your front door, and not just what you see on the front pages—are knocking at your door.

BROWNFIELDS

Let me provide an example of this, from my perspective as the mayor of a community, which made the transition from a fort to a strong city of 200,000. As President of The U.S. Conference of Mayors, I made brownfields the top issue of my tenure as a leader of the nation's mayors. I didn't call it "livability", but it is at the core of so many issues in this debate.

"Brownfields redevelopment" is really a metaphor for renewing our partnership commitments to existing communities.

By recycling the thousands of brownfield sites in communities throughout the nation, we can offer alternatives to simply plowing under and paving over more pristine greenfields, be they farm land, forests or open space.

And, in this way, we can better serve millions of people in communities struggling with this challenge, places where many of us live and work today.

Brownfields, so often in evidence as abandoned properties with all of the outward signs of neglect, are a particularly powerful way to call attention to the need to look at existing communities and policies to help local leaders sustain their economies.

We recycle glass, paper and aluminum cans, but as a nation, we don't fully recycle our land. We believe that existing communities have the capacity to recycle land for reuse in future development, breaking the cycle of developing pristine land or greenfields as a first choice.

Yet, there are obstacles in getting these sites cleaned up and redeveloped. And, the difficulty in redeveloping these sites and capturing all of the many community and economic benefits has also hindered our ability to meet the many concerns of our citizens. Pressing local issues—transportation, environmental quality, safety, education, and neighborhood-oriented investments in schools, libraries, ballfields and parks—can be addressed more readily through redevelopment of these sites, as local economies are strengthened, generating the resources to reinvest in our communities.

As a local leader, I can tell you we have been working hard to recycle and restore these lands, attempting to offer developers, business leaders, bankers and others new opportunities to invest and grow in existing communities. But much more needs to done to turn the perception of these "dead zones" in to prosperous and thriving uses.

A year and a half ago, I addressed the "Brownfields 97" Conference in Kansas City, where I said:

"Brownfields is the leading edge of what I believe will soon be the nation's most pressing environmental concern: the loss of open space—farmlands and forests—brought about by our continuing patterns of urbanization."

In discussing this issue, I frequently cite data from the American Farmland Trust. For the 10-year period, 1982—1992, the United States converted more than 4 million acres of prime farmland to urban land. This is the real stuff—"prime farmland"—the kind of land that is very productive.

In that period, we lost prime farmland that is larger in size than the entire greater Chicago metropolitan area, which runs from Northern Indiana to Southern Wisconsin. Or, farmland that is equal in size to the States of Connecticut and Rhode Island. As Chicago Mayor Daley, a former Conference President, so often says, "The U.S. destroys more farmland each year than any nation on earth."

In the same 10-year period, all of the land which was developed, including this prime farmland, is equal in size to the States of Connecticut, Rhode Island, New Jersey, Delaware and one quarter of Maryland.

I believe there is some urgency to the brownfields issue, particularly when you step back and consider what is happening to farmland and forests in proximity to our urban areas.

Brownfields redevelopment, for so many communities, is about making sure that the land is productive again, unburdened by liability issues and free to capture private sector investment in housing and job-producing businesses. We see this as a cycle of potential renewal, with rising property values and increasing tax receipts to build better communities that our citizens want and expect.

Issues Before the Committee

Mr. Chairman, you have a full agenda on many of the issues in the "livability" debate, as you examine transportation, smart growth, open space preservation, brownfields redevelopment and various initiatives pertaining to these matters.

Mr. Chairman, I want to express the appreciation of the nation's mayors for the personal attention and efforts you have made on our behalf to move various legislative vehicles to address the concerns of mayors and others on brownfields within the context of Superfund reform. And, we also appreciate the members of this committee for their leadership. Senator Bond, in his capacity as Chair of the Appropriations Subcommittee on VA, HUD and Independent Agencies, has been very supportive of local efforts to move brownfields redevelopment forward. Senator Lautenberg has been involved with this issue before most people even knew what brownfields were and we appreciate his strong leadership on our behalf.

I am hopeful that legislation will finally move through the Congress this year to provide communities with the tools and resources to more readily reclaim and recycle the thousands of brownfields sites all across the country. I know from the committee record and statements that members of this committee fully appreciate the importance of getting these properties back in to productive use. I also know that this issue will be revisited by the committee in the coming months.

TRANSPORTATION

Let me turn to the transportation arena, and again use this opportunity to thank Chairman Chafee, Senator Moynihan, who played such an instrumental role in enacting ISTEA, and the committee members for your leadership in enacting TEA–21.

The Conference of Mayors in its testimony before this committee and our work in support of ISTEA renewal, urged a balanced investment between highways and transit, and flexible funding, as well as continuation of programs like Enhancements and the Congestion Mitigation and Air Quality program and continued emphasis on system preservation. But the key message that Atlanta Mayor Bill Campbell delivered on behalf of the mayors was the continuing need for partnership in addressing the nation's transportation infrastructure needs, urging that the ISTEA framework be used as the basis for this partnership.

Mr. Chairman, I also want to recognize this committee and its leadership in making this partnership stronger under TEA–21. Also, by continuing policies and programs such as the Interstate Maintenance program and the Bridge Program, you kept the focus of the new law on system preservation.

Keeping what we have in good repair is very much in tune with what voters are asking for. Recently, the Rebuild America Coalition conducted a national survey and found that an overwhelmingly majority of the respondents believe that keeping existing road surfaces in good condition and free of potholes was more important than building new highway capacity in dealing with congestion. These findings affirm some of the issues we have discussing today in that voters want more attention to keeping what we have in better condition, as one of the ways to better serve citizens in existing communities.

Most of these transportation elements have been strongly supported by local elected officials, through investments in the CMAQ program to better air quality, in the Enhancements program to better integrate transportation facilities into our communities, in the Bridge Program to rehabilitate these facilities, and in increased investment in public transportation.

The Conference of Mayors would offer several recommendations on how the committee might followup on these and other matters.

First, we encourage the committee to hold field hearings and conduct more oversight on State efforts in implementing TEA–21. Under ISTEA, local officials were concerned that many of the key programs of most direct interest to local communities, like CMAQ, Enhancements, Safety, had the lowest obligation rates compared to other programs of higher priority to the States. Moreover, with the unexpected gap in fiscal year 1999 between apportionments and obligation authority (more than 13 percent), defunding of these programs could get worse under TEA–21. If you take CMAQ funding, for example, it is troubling that with more than one-half of the 1,050 U.S. cities with a population of 30,000 or more in nonattainment with ozone, we continue to see States using the Act's flexibility to move funding obligations away from CMAQ-eligible activities. Poor air quality where millions of Americans live is high on our ''livability'' agenda. Second, we are working with the States all across the country to ensure that funds under TEA–21 are fairly distributed within the States, an effort we call our ''Fair Share Campaign.'' In effect, local officials are often asking why funding fairness stops at the State lines. We have preliminary data that shows that under ISTEA two out of every three metro areas—where about 80 percent of the nation's population resides—were donors. As we look at livability issues, we as local officials know that we can't address these issues if we never get access to the resources to make the improvements our citizens want. We are hopeful that U.S. DOT's expected planning regulations will operationalize the Act's ''revenue forecast'' provisions, directing States to jointly develop forecasts of TEA–21 funding with MPOs. This is really a ''right to know'' for local officials about what funds may or may not be available for transportation projects and needs in their local areas. Third, we don't see States taking full advantage of the flexible funding aspects of TEA–21. For example, we have more than 200 communities/regions throughout the country planning, engineering or building new rail projects, the highest level of interest in rail projects at any point in the nation's history. We also know that many of these projects won't get built unless State DOTs take more advantage of the Act's flexible funding features, using core program funds in support of these investments. In large and small markets, rail investment is being sought by local elected leaders as one of the preferred ways to manage development patterns, combat highway congestion and improve mobility in their respective regions. Finally, we also hopeful that the States will use some of the Act's flexibility to make resources available to local areas for transportation infrastructure improvements in support of brownfields redevelopment. In our 1998 Brownfields Survey, we found many respondents citing the need for transportation improvements, such as upgrading and modernizing existing facilities, as necessary to facilitate investment at brownfield sites.

One of our biggest challenges in the transportation arena has been State transportation department officials, who historically denied the linkage between transportation investment and development patterns. TEA–21 certainly provides the tools and the laboratory, but it doesn't guarantee success. That is up to local elected offi-

cials working with the Governors and State transportation officials to use the tools you have provided.

But, as a key partner in this equation, it is helpful to those of us at the local government level to have this committee fully engaged in monitoring our progress under TEA–21 and how these substantially increased resources are deployed. This committee has many other policies—clean air, water quality, flood control—that are advanced or harmed by State and local actions in the transportation arena.

ENVIRONMENTAL PROGRAMS

Given the committee's involvement with the financing of environmental infrastructure through State Revolving Funds to the States, particularly the Wastewater Revolving Fund, the Conference would suggest some actions related to the issues before the committee today:

first, it would be helpful to have U.S. EPA prepare information for the committee on the distribution of these funds within areas of the State, offering some perspective on how existing communities, particularly in urban areas are faring under the program; second, it would be useful to know from the agency if these resources are promoting outward development or aiding in redeveloping existing areas; and finally, the Conference is supportive of proposals to redirect some portion of these funds toward wet weather problems, such as municipal stormwater and combined sewer overflow improvements, changes which will help serve continuing clean water needs among existing communities.

Mr. Chairman, we know that some of our development patterns are exacerbating our ability to tackle stormwater and flood control needs in areas all across the country. We are also learning more about how these development patterns might be infringing upon our surface and groundwater supplies. This is an area where we would like to work with the committee to examine these issues in further detail.

On clean air, the Conference has been very engaged in a number of issues involving implementation of this Act. For example, we have been concerned about the potential effects of the new air standards on brownfields redevelopment. As a result, the Conference has been working on a project with U.S. EPA, the Economic Development Administration, and several cities, including Chicago, Dallas and Baltimore, to analyze the relationship between brownfields redevelopment and achievement of clean air standards.

I would also call the committee's attention to the Administration's proposal, the Clean Air Partnership Fund, which calls for first ever funding of $200 million in fiscal year 2000 to help communities fund clean air projects and deploy new technologies. This investment is particularly important to local areas which in the past have only had access to CMAQ funds for mobile source efforts. From a local perspective, we welcome any additional Federal commitments to help us meet the increasingly complex air issues before our communities.

PARKS

Finally, let me note that open space preservation and parks development are areas where the mayors have been very supportive. We, however, will continue to press for more attention on urban parks as the "Lands Legacy" Program and other proposals move forward.

We all know that preservation of open space has important implications for the work of this committee as you continue to grapple with transportation, air quality, water quality and nonpoint source pollution, flood control and water resources. Mr. Chairman, I would encourage members of this committee to engage in this debate, given your considerable jurisdictional interests in seeing successful initiatives in this area.

Mayors' Agenda

Mr. Chairman, let me close with some comments on the mayors' agenda.

During my tenure as Conference President, I talked extensively about farmland and open space preservation and the need to recycle America's land through brownfields redevelopment. Conference presidents for five successive years have been pressing for a stronger Federal partnership on brownfields. We see the Administration's proposal for "Better America Bonds" as a response to local leaders, like myself and others, who have championed a more aggressive Federal commitment to local efforts in this area.

Knoxville Mayor Victor Ashe, who served as President of the Conference before me, personally championed the cause of the stateside program of the Land and Water Conservation Fund (LWCF) and urban parks, with these issues finally receiving some attention in recent months, nearly 4 years later. Mr. Chairman, you may

recall that he met with you on this subject. Quite frankly, we were disappointed that there was so little emphasis on urban parks in the Administration's plan, but in the whole we believe there is a need for a broader Federal commitment in this area. We are pleased to see that Chairman Murkowski is proposing to fully fund the stateside LWCF program and fund urban parks at a much higher level.

I have already noted elements in the transportation area. I would just reiterate our desire to see State officials use these resources to partner more fully with local officials in funding locally determined transportation projects, such as new rail starts and other alternative transportation projects as well as broader commitments to system preservation, safety, enhancements and air quality.

Mayors have advanced brownfields redevelopment as one of the cornerstones in our "livability" agenda, an area which I have discussed in some detail. Mr. Chairman, next month the Conference will release its Second Annual Report on Brownfields. Among the more interesting findings of this report will be a projection on how many people these responding cities can absorb without adding substantially to existing infrastructure. In this survey, 110 cities estimate that they can absorb more than 3.5 million new residents, a capacity which substantially exceeds 1 year of the nation's population growth. Tapping just a portion of this potential capacity in existing communities could save taxpayers billions of dollars in future capital and operating costs.

We see brownfields as part of a broader agenda, which includes reducing crime and community-based public safety, improving public education along with community-wide responses to the needs of school age kids, emphasizing arts, cultural and other unique community assets, and renewing our infrastructures, like schools, parks, housing and transportation facilities. In the whole, these issues respond directly to what we as mayors believe our citizens are seeking in their daily lives, concerns which are increasingly characterized as "livability".

I also helped launch our Joint Center for Sustainable Communities, an historic partnership of The U.S. Conference of Mayors and the National Association of Counties, to look at how cities and counties can work together more effectively on many of the issues we are discussing today. We are making real progress on these challenging issues.

Closing Comments

As a mayor who is completing my twelfth and final year of service, I can attest that cities have certainly seen some tough times, with both the perceptions and realities of crime-ridden neighborhoods, failing schools and infrastructure. At the same time, we have been hard at work dealing with these issues, changing both perceptions and the realities of these urban ills. And, mayors and local citizens will tell you that we are experiencing positive change in communities all across the country. We are confronting rising expectations, and rightly so, on how we can improve the everyday quality of life.

Some of this success can be attributed to the new style of local elected leadership and a new energy among our citizenry. And, undeniably, mayors and other local leaders will tell you that new and continuing partnerships with the Federal and State governments are making a real difference in our communities.

It seems all of us are figuring out that our standard of living is not the same thing as our quality of life.

The Washington Post reported last week that demand for close-in addresses is outpacing available housing, as people look for alternatives to ever-growing commutes here in one of the most congested markets in the nation. Senator Larry Craig is described as leaving his larger home in Mount Vernon for a smaller house on Capitol Hill, cutting his 1-hour commute by car to a 13-minute walk. He is quoted as saying, "I can get up in the morning and my wife and I can be together for breakfast. It truly added an hour of quality time to our day."

Senator Craig's quote may best express what this issue is all about.

Mr. Chairman, thank you for this opportunity to share our views with the committee on this important subject.

STATEMENT OF HON. TERRY KAUFFMAN, COMMISSIONER, LANCASTER COUNTY, PENNSYLVANIA AND CHAIR, SMART GROWTH COMMITTEE AND LAND USE AND GROWTH MANAGEMENT SUBCOMMITTEE, NATIONAL ASSOCIATION OF COUNTIES

Quality of life concerns, the high cost of providing services and infrastructure, and the depletion of farmland and environmental resources are topping the priority list of many of my fellow county commissioners around the country, and counties are increasingly being called upon to make difficult decisions in this arena. Traditional

assumptions about the benefits of unrestrained growth are being challenged—assumptions, for example, that all development is good development—and county officials are looking for new approaches to better direct the way their counties are growing.

The country in general is also beginning to experience an explosion of concern about current development patterns. The rapid rise of residential and commercial development on the outskirts of our town centers raises uneasiness about the health of our farmland, our water and air resources, the open and wild places, and the functionality of our neighborhoods—basically the essence of what makes a community a vital and pleasant place to live.

In my county, suburban sprawl, over the last three decades, has depleted our farmland and natural resource base, and threatened the lifestyle of our Amish and Mennonite communities—the very things that make Lancaster County so unique and so appealing.

Important on the list of growth-related problems is the financial burden that residential sprawl is placing on county governments, which supply services and infrastructure to new housing, often without a comparable tax base to cover the costs. We are struggling with these issues, and it is very important that we step forward to assert our role as leaders. We are on the front lines when it comes to making the decisions that shape our communities. And, as the government closest to the people, it makes sense for us to do so.

We are aware that some are encouraging the Federal Government and State legislatures to take the decisions about land use out of the hands of elected officials and place them in the hands of appointed regional bodies or State entities who would establish growth or planning policies applicable to all local governments. State mandates or preemption of local land use decisionmaking has already happened in some States.

For example, in Tennessee, counties and cities have been mandated to adopt state-designed growth plans by July 2001. In Florida, state-appointed regional water districts have a great deal of authority to approve or deny certain land uses. On the other hand, States like Virginia make it very difficult for counties to manage growth, requiring, for example, specific authorization from the legislature before a county is allowed to impose "impact" fees on developers.

The approach of the National Association of Counties (NACo)—on whose behalf I am speaking today—is to better equip counties make decisions about "smart" growth alternatives for themselves. What do we mean by "smart" growth? NACo believes that it includes efforts that accommodate growth in a way that integrates fiscal prosperity and environmental quality, and efforts that enhance the unique attributes of counties that are valued by the community. In particular, NACo supports comprehensive local land use planning as a mechanism for achieving "smart" growth" because we believe that how we use our land directly affects our ability to maintain a high quality of life for existing and future residents NACo's Board of Directors recently listed Smart Growth as a priority issue for the next 3 years. Our Western Interstate Region has established a goal of providing tools to western counties to manage growth and develop sustainable policies. In conjunction with the Sonoran Institute, we will be working with county officials in 11 western States to promote effective growth management that balances environmental, economic and community concerns.

We have been holding extraordinarily popular workshops and working team sessions at our conferences for the last 2 years, and are hearing over and over from our members that growth management is one of the most significant challenges facing county officials. NACo recently established a Smart Growth Committee, which I am honored to chair, to guide our activities over the next year, and we expect to be developing tools and techniques that counties can use to implement their plans.

At the same time, we recognize that we derive our legal authority primarily from State government, and without the necessary ability to control land uses, we will remain limited in our ability to implement our comprehensive plans and manage growth in a manner appropriate to the character of our communities.

Information from the nation's counties indicates that there are States that do not grant their local governments authority to make land use decisions. The 1998 NACo Operations Survey Analysis showed that only 66 per cent of the counties surveyed had authority to do comprehensive planning. Only 40 per cent had the ability to do transportation planing and only 22 per cent had the power to collect impact fees. These figures show that some State legislatures have failed to give us the tools we need to manage our growth.

In my own State of Pennsylvania, counties are not allowed to control land uses; zoning authority is vested in the boroughs and municipalities. Similar laws are found in Ohio and Michigan. Other States like Virginia require each county to peti-

tion the State legislature for specific authority to control growth—authority that if not granted, prohibits the county from enacting local ordinances. Every State has its own distinct land use statutes; some States simply fail to respect local autonomy and authority. We urge all States to provide enabling legislation to allow county governments to adopt whatever tools are needed to manage their own growth. In addition, States should provide incentives for local governments to work together, so that the traditional tensions between municipalities and counties can be overcome.

On the Federal level, we see other policies that indirectly limit local land use decisionmaking. For example, Federal facilities like post offices are generally exempt from local zoning ordinances. Federal regulations on endangered species, air pollution, landfill siting, and stormwater management sometimes put portions of land in our counties "off limits" for development, even when those areas may be more appropriate locations for some land uses than others.

NACo recently revised our national policies on preemption to firmly oppose any efforts of Congress or regulatory agencies to impose prescriptive requirements that intrude on local decisionmaking. This is especially applicable to land use decisions, and we will continue our campaign to object to any Federal activities that preempt our authority.

Managing growth, I want to emphasize, shouldn't mean stopping development or closing the door to new residents. A comprehensive growth management system can provide a framework that enables counties to balance and accommodate diverse and competing interests. Unlike traditional subdivision platting and zoning which are two dimensional, growth management adds a third dimension—timing, or the pace of growth.

We have some good models to look at around the country, and I wanted to spend a minute reviewing a few of those with you. Let me start with my own county.

Despite Lancaster County's lack of authority over zoning, we have been able to accomplish a great deal. Our strategy was to create an "urban growth boundaries" beyond which only farm activities were allowed. The County, through sheer persuasion—and some significant financial assistance—has convinced most of the municipalities to include the urban growth boundary in their comprehensive plans, and so far it seems to be working. Within the urban growth boundaries, the County monitors development, actively promotes affordable housing and reasonable densities, and encourages the planning and development of infrastructure to support development. We also assist the municipalities by assigning a professional planner to help them draft and implement their urban growth boundaries and zoning ordinances.

Counties in other States, like Erie County in New York and Pierce County in Washington State have developed a series of interlocal agreements with their municipalities to develop "urban growth area policies", providing guidelines for the county and municipal comprehensive plans.

Another growth management technique is not new, but is being increasingly used across the country—an impact or development fee on land developers. As you know, this is a very controversial topic, but about 22 States allow it and local governments keep seeking such authority from State legislatures. Impact fees can help reduce the pressure on counties to approve subdivisions before the roads, schools, and water and sewer lines are installed.

Other techniques—critical areas designation or performance standards for environmentally sensitive lands, designation of regionally important resources—like historical or natural areas—all can be useful in managing and directing growth.

Another key technique is the transfer or purchase of development rights. With this tool, the county is allowed to sever the rights of the property owner to develop a piece of property from that parcel and transfer those rights to other property. Therefore, a farmer can sell his development rights in a rural area, and the rights can be exercised by the developer in another part of the county that has water and sewer connections, as well improved roads. The farmer agrees to establish a conservation easement on the property, forever preventing any future development.

Another increasingly popular technique is outright purchase of open spaces by local and State governments. There were over 200 new referenda passed around the country in the last election where voters agreed to new bond issues or programs for purchasing green spaces. These acquisition programs are very popular with the voters because they promise to preserve natural resources, and many States are devoting State general funds to help protect such areas.

On the Federal level, we are hearing about some interesting proposals for additional funding and assistance, and we welcome the Federal concern about growth management. We would look with favor on programs that assist us with acquiring land, purchasing development rights, and obtaining staff expertise. We also would

like to see a national clearinghouse of information about alternative land use planning practices and programs.

We would only caution that any Federal funding be careful to respect local land use decisionmaking. The questions that we will be asking in evaluating any new Federal programs or Federal funds are the following: "Will they be consistent with local comprehensive land use plans? Can we take advantage of Federal programs because they complement what we do, or will Federal growth management goals conflict with the goals we have established within our communities?" We hope the answers will always be "yes".

In conclusion, there are a wide variety of tools, both already available and in the proposal stage, that hold a promise for better management of our land resources and better control over growth. But we have to be careful that in the effort, local governments decisionmaking isn't pushed aside, and that our authority to determine what our community looks like isn't relegated to merely advisory. We look forward to working with this committee toward that end.

STATEMENT OF RICHARD MOE, PRESIDENT, NATIONAL TRUST FOR HISTORIC PRESERVATION

Mr. Chairman, members of the committee. Thank you for the opportunity to testify before you today about the issue of community growth and environmental quality. My name is Richard Moe and I am President of the National Trust for Historic Preservation, a nonprofit membership organization, chartered by Congress in 1949. The National Trust for Historic Preservation works to revitalize America's communities by preserving our heritage—the buildings, neighborhoods, downtowns and landscapes that link us with our past and define us as Americans. Our mission is summed up in a short phrase: "Protecting the Irreplaceable." Sprawl destroys the irreplaceable, which is why the National Trust is concerned about sprawl—and why I am pleased to appear before this committee today. On behalf of our 275,000 members, the National Trust advocates for the protection of the built environment as well as natural landscapes of historic and cultural significance. The integrity, indeed, the very existence of these resources, are threatened by poor planning and inappropriate development.

America today is engaged in a great national debate. It's a debate about sprawl. The central question in the debate is this: Will we continue to allow haphazard growth to consume more countryside in ways that drain the vitality out of our cities while eroding the quality of life virtually everywhere? Or will we choose instead to use our land more sensibly and to revitalize our older neighborhoods and downtowns, thereby enhancing the quality of life for everyone?

The debate touches every aspect of our lives—the quality of the natural and built environments, how we feel about the places where we live and work and play, how much time we have for our family and civic life, how rooted we are in our communities. I believe that this debate will frame one of the most important political issues of the first decade of the 21st century. Ultimately, its outcome will determine whether the American dream will become a reality for future generations.

Preservation is in the business of saving special places and the quality of life they support, and sprawl destroys both. It devours historic landscapes. It makes the strip malls and subdivisions on the edge of Washington look like those on the edge of Albuquerque or Birmingham or any other American city. It drains the life out of older communities, stops their economic pulse and often puts them in intensive care—or sometimes even the morgue.

Sprawl reminds me of Justice Stewart's remark about pornography: It's hard to define, but you know it when you see it. In simple terms, sprawl is the poorly planned, low-density, auto-oriented development that spreads out from the edges of communities. But it is best defined by the way it affects us in our daily lives.

Winston Churchill said, "We shape our buildings, and then our buildings shape us." The same holds true for communities: The way we shape them has a huge impact on the way we feel, the way we interact with one another, the way we live. By harming our communities, sprawl touches us all—and one way or another, we all pay for it.

We pay in open space and farmland lost. Since 1950 the State of Pennsylvania has lost more than 4 million acres of farmland; that's an area larger than Connecticut and Rhode Island combined. Metropolitan Phoenix now covers an area the size of Delaware. It's estimated that over the next 45 years, sprawl in the Central Valley of California will affect more than 3.6 million acres of America's most productive farmland.

We pay in time lost. A study last year reported that each of us here in Washington spends about 59 hours a year—the equivalent of a week and a half of work—stuck in traffic. The price tag for time and fuel wasted is roughly $860 annually for every man, woman and child in the Washington area. In Los Angeles, the average speed on the freeways is expected to drop to 11 miles per hour by 2010. A new term—''road rage''—has been coined to describe drivers frustration over traffic.

We pay in higher taxes. Over the decades, we've handed over our tax dollars to pay for infrastructure and services—things like police and fire protection, water and sewer lines, schools and streetlights—in our communities. Now we're being asked to pay higher taxes to duplicate those services in sprawling new developments, while the infrastructure we've already paid for lies abandoned or under used in our older city centers and suburbs. Even worse, local governments use our tax dollars to offer incentives and writeoffs to sprawl developers—in effect, rewarding them for consuming our landscape and weakening our older communities.

Finally, we pay in the steady erosion of our quality of life. Inner cities have become enclaves of poverty. Long, frustrating commutes leave us less time with our families. Tranquil neighborhoods are destroyed by road-widening. Historic landmarks get demolished and carted off to the landfill. Every place winds up looking more and more like Noplace. These signs point to an inescapable fact: Sprawl and its byproducts represent the number one threat to community livability in America today. And in a competitive global marketplace, livability is the factor that will determine which communities thrive and which ones wither. Nobel Prize-winning economist Robert Solow puts it this way: ''Livability is not some middle-class luxury. It is an economic imperative.''

Sprawl is finally getting the attention it deserves. It was the subject of major initiatives announced by the President and the Vice President in back-to-back speeches in January.

Bipartisan caucuses focusing on smart growth and community livability have been formed in both the House and Senate. Governors across the political spectrum have announced programs to control sprawl and encourage smart growth. The Urban Land Institute, the American Institute of Architects, the National Governors Association, and foundations and nonprofit organizations of every stripe hold seminars and workshops on sprawl. Last November, voters from Cape Cod to California overwhelmingly approved some 200 ballot initiatives related to growth management and urban revitalization.

All this attention is welcome. Sprawl is a national problem, and it needs a national debate. But the debate shouldn't focus on finding a national solution, because there isn't one. There are two essential elements in any effective program to combat sprawl: sensible land-use planning and the revitalization of existing communities. These are issues traditionally and best handled at the State and local levels—and that, in the end, is where the fight against sprawl will be won or lost. But the Federal Government also has a crucial role to play in the process.

There are obviously many factors such as crime, drugs and bad schools and public services that have helped propel the exodus of people and jobs from our central cities, but that exodus has been greatly facilitated—even accelerated—by the effects of Federal policies. Sometimes these effects have been intended and sometimes they have been inadvertent, but in most cases they have been profound. Because the Federal Government has contributed so heavily to the problem, it has a clear duty to help find solutions.

It can—and should—do so in four ways:

First, it should correct policies that encourage or reward sprawl. The direct role of Federal policies and investments in promoting suburban development at the expense of cities is difficult to pin down. It's never been systematically studied. But we do have a very good idea where to look, because sprawl-friendly policies and practices exist in almost every Federal agency. I'll mention only a few examples.

The Federal tax code, in all its complexity, is heavily tilted toward new development and the consumption of open space. The tax code has historically subsidized upper middle class homeownership in the suburbs. It needs to put at least as much emphasis on promoting opportunities for revitalization and stabilization of older communities. Federal tax policy needs to provide incentives—which are currently lacking—for middle-class and moderate-income households to become urban homeowners.

Nearly 17 million people work directly or indirectly for the Federal Government. With a work force that size, decisions about where the government locates its offices can have a huge impact on a community's economic health. Executive Order 12072, signed by President Carter, and Executive Order 13006, signed by President Clinton, require the General Services Administration and other Federal agencies to look first at downtowns and historic buildings and areas when considering where to lo-

cate Federal facilities. Since the 1980's, there has been a growing trend toward Federal agencies leaving downtowns and locating in new suburban developments.

Unfortunately, implementation of these executive orders has been spotty and inconsistent, with agency heads continuing to pressure the GSA for locations in new developments. Right now, for example, in the small, economically depressed town of Glasgow, Montana, the U.S. Department of Agriculture is putting its county of lice in a new building that will be constructed in pasture land on the edge of town. A suitable downtown building was available, but USDA rejected it because the parking lot is a block away instead of right next door.

Relocating post offices to suburban sites can also deal a body blow to a small-town Main Street—and put historic buildings at risk as well. Because post offices serve an important role in the social and business life of many towns, the U. S. Postal Service needs to give communities more say in where these essential facilities are to be located. I want to take this opportunity to commend Senator Baucus, who along with Senator Jeffords and Congressman Blumenauer, has championed the Post Office Community Partnership Act, which would establish minimum citizen involvement requirements that would apply to the renovation, relocation, closing, or consolidation of post of rices, and requires the Postal Service to comply with any local zoning or building codes imposed at the State or local level.

The list goes on and on, but the biggest offender of all is Federal transportation policy, which can be summed up in a short phrase: "feed the car, starve the alternative." As Jessica Mathews wrote a while ago in the Washington Post, "Americans are not irrationally car-crazed. We seem wedded to the automobile because policy after. . . policy. . . encourages us to be." Transportation officials generally try to "solve" problems by building more roads—an approach which is often like trying to cure obesity by loosening your belt.

People need transportation choices and communities need balanced transportation systems. Historically, Federal policy hasn't done a good job of offering them—but that is changing, thanks to your leadership, Mr. Chairman, and this committee's, in building on the vision of ISTEA through the Transportation Equity Act for the 21st Century (TEA–21). TEA–21 encourages planning that looks beyond irrelevant political boundaries and allows for greater citizen and local government participation in making transportation investment decisions. Now that TEA–2 1 is law, we need to move forward with the hard work of implementation at the State and local levels to fulfill its promise. First and foremost, however, fulfillment of the goals of TEA–21 provides a great opportunity for the Federal Department of Transportation to take a leadership role in urging the States to take full advantage of this landmark legislation.

Second, the Federal Government should reward States and communities that promote smart growth and help revitalize existing communities.

Being anti-sprawl is not being anti-growth. The question is not whether our communities should grow, but rather how they will grow. More and more people—private citizens and public officials alike—are realizing that the answer to that question lies in sensible land-use planning.

Three States have recently launched different efforts to manage sprawl. Last May, Tennessee passed a law that requires counties and municipalities to adopt "growth plans" which, among other things, set firm boundaries for new development and public services. Closer to home, Governor Glendening's Smart Growth initiative in Maryland is one of the most innovative—and potentially one of the most significant—in the country. Under Governor Whitman's leadership, residents of New Jersey have approved up to $98 million in tax revenue annually for conservation and historic preservation; over 10 years this measure will protect a million acres of land—a marvelous gift to future generations.

We should encourage efforts like these in other States. I suggest that we design a Federal "smart growth scorecard"—a system that favors sensible, sustainable growth and evaluates the effectiveness with which States and communities meet that test. States that amend their building codes to make them more "rehab-friendly" or that remove their constitutional ban against the use of State gas tax revenues for mass transit projects, for example, are taking positive steps to fight sprawl and restore communities. They ought to be rewarded. The Federal scorecard would give States credit for initiatives such as these and would give smart-growth projects an edge in the competition for Federal funds.

Third, the Federal Government should promote regional cooperation as a key to effective control of sprawl.

Metropolitan areas now contain close to 80 percent of the total U.S. population. Half the people in this country now live in just 39 metropolitan areas. But governmental structures in no way reflect this reality.

Urban decline and sprawl are practically guaranteed wherever there is a balkanized system of local jurisdictions. There's a perfect example right here in Washington, where our metropolitan area is a patchwork quilt comprising two States, the District of Columbia, a dozen counties and a score of municipalities—each with its own budget, each following its own agenda.

When it comes to sprawl, city limits and county lines are often meaningless marks on a map. Limited jurisdiction makes it hard for local government to deal with an issue of this magnitude, and efforts to control sprawl in a limited area often just shift the problem from one community to another. It's like trying to stop a flood with a picket fence.

States need to encourage local governments in the same region to better coordinate their land-use and transportation plans, and the Federal Government can help a great deal by simply providing basic information that regions need. Much of this information—dealing with things such as the geographic mismatch between workers and jobs and the extent of out migration from cities to suburbs—already exists, but it is difficult and expensive for localities to obtain. That's a fairly easy problem to fix, and the Federal Government ought to do it.

While regionalism by itself does not curb sprawl, it can moderate one of the engines of sprawl: the costly bidding wars between neighboring jurisdictions for sprawl-type development that holds out the hope for new tax revenues. Admittedly, the performance of some regional governments has been lackluster, but in other areas—Portland, Oregon, for example—regionalism is making a difference in addressing the problems of sprawl and poorly managed growth. Encouraging and assisting similar efforts all over the country should be a cornerstone of Federal policy.

Happily, both Congress and the Clinton Administration are taking steps to utilize Federal policy to promote responsible growth. Enterprise zones and empowerment communities, the HUD Homeownership Zones program, brownfields, and other programs are intended to spur reinvestment in older areas. The "Livability Agenda" recently announced by Vice President Gore proposes a major initiative to reduce barriers to regional governance and to hind local partnerships that pursue smart growth strategies across jurisdictional lines. This will be the first flexible source of funding provided by the Federal Government to promote smarter metropolitan growth.

Controlling sprawl is only half the battle, which brings me to the fourth thing the Federal Government should do: provide incentives for reinvestment in existing communities.

Discussions about the plight of the cities often overlook a simple fact: When people leave the city it's not necessarily because they love sprawl or hate urban life, but because leaving is the rational thing to do. More than anything else, urban flight is an indictment of bad schools, crime and poor public services. As if this "push" weren't enough, people are "pulled" out of the city by policies and practices that make homes and infrastructure in the suburbs less expensive and easier to build.

In place of this "push-pull" combination, we need public policy that favors existing communities. Fifty years ago the government began to offer economic inducements to families that wanted to flee to the suburbs; it's time to offer those same kinds of inducements to entice middle-class residents to return to, or stay in, the city.

It all comes down to choosing where to make investments. If the Federal Government chooses to pour Finding into more outer beltways and more suburban infrastructure, sprawl will continue to spread like an epidemic. But if the government makes a commitment to existing communities, it can have an enormous, positive impact on the critical need to keep people in urban neighborhoods and give others a reason to move back to the city.

One way to do this is by enacting the Historic Homeownership Assistance Act, which you, Mr. Chairman, have championed here in the Senate, along with Senator Graham. This legislation would extend a Federal tax credit to homeowners who renovate homes in historic districts, giving residents of older neighborhoods incentives to stay and invest in their community's future, and providing an incentive for others to move back into the city. By offering a way to put deteriorated property back on the tax rolls while making homeownership more affordable for lower-income residents, this legislation could greatly benefit communities all over the country. Obviously, this one act won't solve America's urban problems—but it can help, and a step in the right direction is better than standing still.

This is the missing piece of the Administration's Livability Agenda, which includes a heavy focus on the preservation of open space. There's no question that we need to speed up our efforts to protect open space and farmland through land trusts, easements, the purchase of development rights and other means. I should also mention at this point that the National Trust endorses the Permanent Protection for

America's Resources 2000 Act, legislation introduced by Senator Barbara Boxer and Congressman George Miller that would fully fund the Historic Preservation Fund, the Land and Water Conservation Fund, and other programs and make them true trust funds by taking them "off budget."

Yet while saving greenspace is a very good thing, but it's not enough by itself. We could buy all the open land in the country and still not solve the problem of sprawl. The National Trust supports expanding eligible activities for the Administration's proposed Better America Bonds program to include infill construction on brown fields, and historic preservation. The proposed Lands Legacy Program should be broadened to include full funding of the Historic Preservation Fund at $150 million for Fiscal Year 2000.

We also need to focus energies and resources on reclaiming the streets and neighborhoods where people live—the towns, inner cities and older suburbs that we've neglected so badly for the past half century. We must develop housing policies and programs that advance the goal of economic integration of our communities and lessen the concentration of poor households in inner-city areas. We must attract middle-income families back to the towns and cities, and we must generate reinvestment in lower income neighborhoods. At a minimum, we need to protect the Community Reinvestment Act, which requires that financial institutions help meet the credit needs of their communities, including low and moderate income areas, consistent with safe and sound lending practices. CRA is currently threatened by banking modernization legislation that has been reported out of the Senate Banking, Housing, and Urban Affairs Committee.

In fighting sprawl, we're dealing with an issue that undermines many of the national goals and values that we've embraced over the years. The provision of affordable housing, improved mobility, a clean environment, the transition from welfare to work, the livability and economic health of our communities—all of these are undermined by sprawl. In fact, there is scarcely a single national problem that is not exacerbated by sprawl or that would not be alleviated if sprawl were better contained.

We can continue turning much of our nation into a tragic patchwork of ruined cities and spoiled countryside, or we can insist on sensible Federal policies that strengthen communities instead of scattering them randomly across the landscape. I want to commend you,

Mr. Chairman, and your colleagues, for demonstrating leadership on this issue by holding this hearing.

Thank you very much for the opportunity to appear before this committee.

RESPONSES BY RICHARD MOE TO ADDITIONAL QUESTIONS FROM SENATOR LAUTENBERG

Question: Many people have pointed out the connection between abandonment of inner cities, particularly in areas where possible contamination of a former industrial or small business site may make redevelopment difficult, and urban sprawl.

Do you think that having legislation which would help providing funding for site investigations and loans for cleanup would help encourage re-use of these sites? Would this then help alleviate pressure to develop in new, outer areas? Would legislation which relieved purchasers of such sites also help encourage re-use of these sites? Specifically, would the legislation I introduced earlier this year, S. 20, help achieve these goals?

Response. The National Trust believes that appropriate additional incentives for the cleanup and redevelopment of abandoned industrial sites would be beneficial for the revitalization of cities and the redirection of investment from new outer areas to older urban neighborhoods. Environmental remediation is a significant input cost to redevelopment and, we understand, a principal reason why new development in untouched greenfields is more economically attractive to developers.

The National Trust urges Congress to pursue appropriate legislative remedies, but as this subject is outside of our realm of expertise, we are not in a position to endorse any legislative proposals at this time.

STATEMENT OF KATHRYN HOHMANN, DIRECTOR, ENVIRONMENTAL QUALITY PROGRAM, THE SIERRA CLUB

Mr Chairman and members of the committee, my name is Kathryn Hohmann. I'm Director of the Sierra Club's Environmental Quality Program. I'm very grateful that the committee has asked the Sierra Club to offer testimony on the critical issue of sprawl.

The Sierra Club is a national, grassroots environmental organization. We are the country's oldest environmental organization, with more than a half-million members who belong to more than 65 chapters and 450 groups.

Our Board of Directors biannually polls our membership to determine what issues are of greatest concern to our grassroots activists across the country. What we discovered was that while every place in America is unique, the problem of sprawl is ubiquitous. Sprawl and overdevelopment are threatening Connecticut's Traprock Ridges and California's San Mateo Creek in Orange County; New Jersey's Highlands, Rhode Island's Narragansett Bay and Puget Sound salmon in Washington State. Our activists chose sprawl as one of the worst threats facing their communities, and the Sierra Club adopted the Challenge to Sprawl campaign as one of our top priorities at the local, State and national level. But this work is not new; our members have been collaborating with local communities for more sensible development in a locally driven, publicly supported, grassroots campaign to stop sprawl. The goal of our program is to help communities pursue development that doesn't come at the expense of our clean air, clean water, open space, wildlife habitat, and public health and safety.

The public is clearly concerned about urban sprawl and its consequences to the quality of their environment and their daily lives. A key component of the Sierra Club's campaign to fight sprawl has been oriented toward supporting local efforts. These efforts have focused on educating the public about steps that they can take to combat this menace and organizing the various stakeholders to create a clear public demand for actions to curb sprawl, protect open space and promote smart growth. Some examples of these local campaigns follow.

In Utah, we're fighting urban sprawl, air pollution, and wetlands destruction by organizing and energizing local opposition to the proposed Legacy Highway, focusing and amplifying demand by the citizens of Salt Lake City, hunters and anglers, and family farmers for stronger measures to halt urban sprawl. Through the media, organizing community events, and hiring experts to expose the local metropolitan planning office's faulty modeling, elected officials were convinced to develop anti-sprawl open space preservation plans. More recently, the U.S. Environmental Protection Agency has come out in opposition to the Legacy Highway, a move we applaud.

In Georgia, we are working with homeowners, conservationists, and others to rein in uncontrolled growth and highway construction by pushing for environment-friendly transit alternatives. We helped to generate support for shifting priorities for new transportation projects in the Atlanta Region from road construction to alternatives such as commuter rail transit and pedestrian facilities. Sprawl has emerged as a local priority issue—the Governor is discussing smart growth, and homeowners associations are working to improve local environmental law enforcement, including tree protection and sedimentation control.

In Arizona, we are working to preserve the Sonoran desert and other remaining natural areas by helping our neighbors fight suburban sprawl and reckless development. We successfully combined our organizing outreach with our outings program by taking members of the media to the top 10 endangered natural areas in and around Phoenix. In addition, we developed a comprehensive Arizona sprawl report, which documents the problems associated with urban sprawl and advances policy recommendations.

In Washington, DC and Virginia, we are fighting sprawl by promoting public transit and smart growth that saves taxes, prevents pollution, and protects open space—with the particular goals of securing long-term protection for Chapman Forest and stimulating opposition to the 12-lane Inter-County Connector. In Washington, DC, promoting urban reinvestment and fighting suburban sprawl has become a prominent part of the agenda. In central Virginia, our "Tale of Two Counties" slide show has stimulated serious study by several counties on how to preserve open space and farmland. We continue to work closely with the Mattaponi American Indian Tribe in Virginia to defeat the King William Reservoir that would promote sprawl development.

The Sierra Club employs a variety of techniques designed to educate communities on the impacts of sprawl. "Sprawl Costs Us All" reports have been published in Maryland, Virginia and Wisconsin to highlight the local economic consequences of sprawl. Elected officials, the media and volunteers have taken "Tours de Sprawl," which illustrate the best and worst types of development. "Tours de Sprawl" have been conducted in Arizona; Washington DC; Madison, WI; Richmond, VA; and Chicago.

Although these have been very successful efforts, local efforts alone are not enough. The problems of sprawl can only be solved by a concerted and continuing effort at the local, State and Federal levels.

The causes, costs and consequences of sprawl go far beyond the issues that the environmental community has traditionally faced. But in order to deal with sprawl, we need to understand how inter-related problems like traffic gridlock, urban livability and global climate change ultimately are. It was, after all, our founder John Muir who said that "when we try to pick out anything in the universe, we find it hooked to everything else." So just as sprawl has presented us with broad, far-reaching problems, we will need to bring to bear long-term, innovative and cost-cutting solutions.

Traffic congestion is one consequence of sprawl. Sprawl gives people no choice but to drive further to get from home to work. In Washington, DC, the time commuters spent stuck in traffic climbed 69 percent between 1982 and 1994—and you can bet they didn't make up for that increased time by working fewer hours. Longer commutes lead to parents who are more tired and have less time available to spend with their children. In Atlanta, where motorists now lead the Nation in miles driven per person per day, air pollution is so bad the area has lost Federal highway funds for failing to meet clean air standards.

Worsening water pollution is another consequence of sprawl. One of the most damaging aspects of sprawl is run-off from pavement. As America's green space gets bulldozed by developers, polluted run-off adds sediment and chemicals into our waterways, degrading our drinking water and spoiling recreational opportunities like fishing and swimming. In Seattle, development around Puget Sound is being blamed for the polluted water and habitat destruction that has resulted in the proposed Endangered Species listing of chinook salmon.

Our wetlands—nature's water filters and flood-stopping sponges—are vulnerable, too. Each year in the U.S., we allow more than 100,000 acres of wetlands to be destroyed. Some of those wetlands are the last wild places in our communities, and some serve as nurseries for abundant, multi-billion dollar fisheries, but they are going fast. Wetland destruction has been shown to increase flooding in Illinois and other States.

Sprawl threatens our rural legacy, too. And the rate of development is accelerating. The American Farmland Trust reports that we are losing 1 million acres of farmland per year to sprawl.

There are economic, as well as environmental consequences to sprawl. Planners in Minneapolis-St. Paul estimate it will cost $3.1 billion for just the new water and sewage services that will be needed to accommodate projected growth between now and 2020. And crowded schools are a legacy for many families in suburbs today.

Sprawling suburbs burden local communities by demanding higher taxes for new water and sewer lines, extra schools and buses, expanded police and fire protection.

Who pays for the big sewer line out to the middle of nowhere? Residents in the existing parts of town and us taxpayers, that's who. Sprawl costs our cities and counties millions of dollars, and those costs are not offset by the taxes paid by the new users. Instead, sprawl forces higher taxes on existing residents, some of them cash-strapped seniors or other low-income taxpayers.

Urban areas and older, declining suburbs don't escape the harmful effects of sprawl. As families flee to the countryside, a city's tax base disappears, forcing mayors to raise taxes on remaining taxpayers to pay for city services. And the so-called "brownfields" don't get cleaned up, because businesses are given incentives to relocate to outer "greenbelts." Sprawl destroys downtown commerce by pulling shoppers from once-thriving locally owned stores and restaurants to large regional malls. Unemployment, lowered property values, and fewer investment opportunities all result when cities lose their vitality and livability.

Sprawl is serious, it's hurting us all, and it's getting worse—fast. That's why last November, voters from California to Cape Cod—Democrats and Republicans alike—approved more than 150 ballot initiatives dealing with growth management, land use and urban revitalization. In New Jersey, voters—even in the State's tax-adverse Republican counties—overwhelmingly approved the use of a billion dollars in tax revenue to conserve open space and farmland.

Solving the sprawl problem will require innovation, and government will need to play a role. But what is needed is not more government, but more government leadership. In fact, the State, local and Federal Government will need to do less of some things. Government must stop building highways that encourage sprawl and stop subsidizing wetlands destruction and home construction in floodplains where perennial losses are costing taxpayers billions of dollars. Government must stop giving grants and tax incentives that encourage developers to fragment wildlife habitat and countryside, and avoid locating Federal facilities outside of existing developed areas.

Governments must also play a positive role. For example, States can encourage or require comprehensive planning and can channel State funds to existing urban

areas. The Federal Government can be constructive, too, by putting real funding into transportation choices, and then supporting taxpayer incentives for transit use.

The Federal Government can also support conservation easements that allow landowners to donate development rights to their land to conservation organizations. In turn, those landowners may receive income—property—and estate-tax relief. The Federal Government can reform the policies that allow construction, and reconstruction, in flood plains, listening to its own experts in the Federal Emergency Management Agency who warn against future disasters if this wrong-headed policy continues. And the Federal Government can halt the practice of rubber-stamping wetlands destruction when developers want to build in these precious areas. Comprehensive, speedy cleanup of the "brownfields" in urban areas could also help in our battle against sprawl.

Congress can act to usher the Clinton Administration's Livable Communities and Land Legacy programs initiatives into law. Full funding for innovative programs such as the Better America Bonds would be a great first step.

The Better America Bonds would allow the Federal Government to partner with local communities to finance environmental protection and reduce sprawl. These bonds would allow local governments and nonprofit organizations to buy land at today's prices and forgo interest payments for 15 years. This means that communities can act now to preserve the places they hold dear, whether it's a fishing spot along a stream or a wildlife haven in a forest.

The Better America Bonds program will provide $700 million in new tax credits, but it would be much more than that. It would be, over 5 years, nearly $10 million in bonding authority for communities to shape own their futures in a way that's environmentally positive.

We believe that the Better America Bonds could help local governments purchase land or work to repair environmental damage, creating healthier, safer, greener communities. Bondholders will receive an annual Federal tax credit in lieu of interest payments. Local governments, or their nonprofit partners, will pay off the principal at the end of the 15-year term of the bonds.

Our local communities are now using bonds for their infrastructure needs, so why not use them to pay for long-term benefits like preserving open space? Better America Bonds could complement our Federal land acquisition programs by allowing us to finance local land and water conservation. The control stays in communities; the Federal role is limited to assisting with financing for qualified projects. Local governments or nonprofit groups will manage land and improvements. The Sierra Club urges this committee to support this innovative program.

Providing special protections for our most precious wildlands, from national treasures like the Mojave National Park and Preserve to the "small and sacred places" in our very backyards, is an essential tool for easing the effects of sprawl. For over a hundred years, we have been setting aside special places so that they may be preserved for future generations. The Land and Water Conservation Fund ("LWCF"), which provides funds for State and Federal land acquisition, has been a valuable tool in these efforts for almost 40 years.

However, only a fraction of the annual $900 million promised to the LWCF from Outer Continental Shelf oil and gas revenues has ever made it into the Fund's yearly budget. Obtaining full and permanent funding for the LWCF is a top priority for the Sierra Club and we are pleased to see all the bills being considered by Congress share this goal. We welcome efforts to pass legislation that will ensure protection of our nation's special places and wildlife.

Senator Boxer's "Resources 2000 Act" (S. 446) most clearly embodies the principles we believe are essential for OCS-related conservation legislation. We strongly support the bill's full funding levels for both Federal and stateside LWCF. This level of funding will allow us to purchase valuable wildlands from willing sellers, providing much needed added protection for our most precious National Wildlife Refuges, Parks, Forests and BLM-managed protected areas. Landmark efforts would include further protection of such spectacular places as the Mojave and Joshua Tree National Parks, the Maine Woods, and the Everglades National Park. Resources 2000 would provide $450 million in stateside funding as well, giving States and local governments the resources they need to fight the effects of sprawl, and set aside valuable wildlife habitat and open space.

The Sierra Club supports efforts to provide funding for wildlife conservation and protection, as well as programs for urban parks and recreation, historic preservation, coastal and marine resources restoration, and farm and rangeland conservation. Senator Boxer's bill would provide $1.3 billion in funding for these valuable programs.

Finally, we strongly support the Endangered and Threatened Species Recovery title of S. 446. Resources 2000 would provide $100 million annually in dedicated

funds to assist private landowners in the development and implementation of endangered and threatened species recovery agreements. Unlike other proposed landowner incentives programs, S. 446 applies only to programs that contribute to the goal of recovery and would be restricted to purely voluntary activities not otherwise required under law.

We also applaud Sen. Feinstein's efforts to guarantee full and permanent funding for both the LWCF and the Urban Parks and Recreation Recovery Program ("UPARR") and recognize that her continued support on this issue is essential. Sen. Feinstein's "Public Land and Recreation Reinvestment Act" (S. 532) represents a positive step toward full and permanent funding for the LWCF and UPARR.

We are pleased that many sponsors of the various OCS-related conservation bills appear committed to working together to devise effective conservation legislation. It is encouraging that all parties share the goal of crafting legislation that provides full and permanent funding for the LWCF and other valuable conservation programs. However, we maintain serious concerns about several provisions in one of these bills, S. 25 by Senators Landrieu and Murkowski.

Although S. 25 shares the goal of funding important natural resource protection and wildlife programs, it does so at the expense of our coastal environment. In its current form, S. 25 ties funding from a new State and local government matching grants program, created from offshore drilling revenue, directly to the proximity of offshore oil and gas development. This may provide a substantial incentive for coastal States and local governments to promote stepped-up production. In addition, through this new fund, the Murkowski/Landrieu bill lavishes a disproportionate share of the public's money on a half dozen States and shortchanges the rest of America. To the contrary, Resources 2000 distributes funds from the LWCF, as well as other new programs funded from offshore drilling revenues, equitably across the country.

We are also deeply concerned about the restrictions this bill places on LWCF funds. The bill would place a ban on land purchases in excess of $5 million without further Congressional approval. Acquisitions in the Mojave National Preserve have already been authorized and the seller there is ready and willing. A nonprofit conservancy organization is willing to contribute substantial amounts to acquire these inholdings. All that is needed to permanently protect these valuable lands is the LWCF money. The proposed restriction would hamper our ability to protect this special place and tie the hands of Federal land managers, restricting their ability to carry out activities already authorized by law.

In addition, S. 25 requires that two-thirds of yearly funding be spent east of the 100th meridian. We oppose this arbitrary geographic limitation, as it also interferes with land managers ability to effectively protect our most valuable wildlands, and will impede years of progress on several ongoing projects in the West. A third restriction on the use of Federal LWCF funds would prevent acquisition outside the exterior boundaries of our current land management system, seriously impeding the creation of any new units in our Federal lands protection system. For instance, a program for Everglades restoration that has been years in the making would be effectively discontinued, as a key element to the program is land acquisition outside Park boundaries for water storage capacity.

Some local communities are light years ahead of the Federal Government when it comes to building healthy, livable communities, and that's the way it should be. Communities that used smart growth policies to guide their growth have seen great rewards. A study by the Southeastern Michigan Council of Governments showed that Michigan communities with smart growth policies saved $53 million in road costs, $33 million in sewer costs, cut housing costs by 6.4 percent and reduced the destruction of open land by 12 percent.

But communities can't stop sprawl on their own. The Federal Government must stop subsidizing sprawl and start developing solutions to the environmental, health, and economic consequences of continued sprawl. The Sierra Club looks forward to working with this committee and the rest of Congress to develop and pass policies that will stop sprawl from hurting us all.

Healthy, livable suburban communities are not an impossibility. They are what Americans are demanding for their families, for their future.

Thank you.

STATEMENT OF STEVEN HAYWARD, SENIOR FELLOW, PACIFIC RESEARCH INSTITUTE FOR PUBLIC POLICY

I am Steven Hayward, senior fellow with the Pacific Research Institute in San Francisco, and until a few weeks ago a visiting fellow in urban issues at the Herit-

age Foundation. The Pacific Research Institute studies a wide range of issues in political economy, and favors policies that employ market remedies and individual incentives. I have been conducting research and writing about growth management and environmental issues for more than 10 years.

The best way to begin putting the current debate on urban sprawl into some context is to make recourse to that proverbial barometer of public sentiment, the taxi driver. Not long ago I was in a taxi on route from Lindbergh Field in St. Louis to an appointment in St. Charles County, which is where the suburban sprawl of the greater St. Louis area is taking place. Looking for some local insight, I asked the driver what he thought about what was going on there. "Man," he told me, "they're building so fast out here there isn't going to be any land left." I asked where he lived. "I live in the City of St. Louis," he told me; but he quickly added without any prompt from me: "But I'm going to move out here. The quality of life is so much better; you get much more value for your housing dollar."

This is what social psychologists have long termed "cognitive dissonance" the ability to keep two contradictory thoughts in mind and be relatively untroubled by it. As Jim Johnson, recently retired as chairman of Fannie Mae, neatly summarizes it: The American people are against two things they're against sprawl, and they're against density. What I want to suggest is that there is a lot of cognitive dissonance, misperception, and lack of proportion in the current discourse about sprawl, open space and agricultural land preservation, and urban form.

One should begin with a quick reference to aggregate land use statistics. The total amount of urbanized or built-up land is less than 5 percent of the total land area in the continental U.S., and the rate of land being developed, based on U.S. Geological Survey estimates, is about 0.07 percent. Some evidence suggests that the rate of "sprawl" is actually lower today than it was in the 1950's and 1960's. The "sprawl index," a simple comparison of population growth and the rate of urbanization, has actually declined since 1980. Moreover, since the end of World War II, the amount of land set aside for parks, wilderness, and wildlife has grown twice as fast as urban areas. In 1969, there were 2.6 acres of conservation land for every acre or urbanized land; today there are about 4 acres of conservation land for every acre of urbanized land. (These figures exclude national parks and agricultural conservation land programs.) And private land conservation efforts are booming.

These kind of aggregate national statistics are almost irrelevant to the politics of the issue. I am reminded of President Roosevelt's famous quip to critics of the long-run effects of the New Deal: "People don't eat in the long run; they eat every day." Similarly, nearly every piece of open space that yields to the bulldozer occurs in the line of sight of a populated area where people live now, and the change and disruption it brings locally trumps the fact that the land area in question represents a statistically miniscule portion of the whole.

The aversion to rapid change is the dominant social fact behind the controversy over sprawl, and it is enhanced by a second powerful social fact: the increasing latitude for choice that people have today. Thirty years ago, for example, our phones were the property of the monopoly phone company; today we choose our long distance provider. While the main story line of modern life I expanding choice and opportunity, rapid urban growth is seen as narrowing our range of choice and diminishing our control over our own destiny. In its most acute form, we are less able to choose when and where to drive because of traffic congestion. And when people do not have a sense that they can control events themselves, they earnestly wish that someone else the government would.

Most of the ideas that make up the conventional wisdom on the subject at the moment, such as urban growth boundaries and, to a lesser extent, the bundle of ideas that go under the banner of "smart growth," are misguided, because they misperceive much of what is happening in urban areas (especially the increase in traffic congestion), and as remedies they would be ineffective in solving the main problems associated with growth.

Explaining why this is so would take a lot longer than 5 minutes, so let me mention the single most important reason for being cautious about embracing ambitious land-use regulation schemes or other measures that will distort the land market. A century of experience with regulation of various kinds has taught us that regulation typically favors the affluent and the organized over the less affluent and less organized. There are few groups less organized or represented than the people who would benefit from the houses and jobs that do not yet exist. Many of the advocates of "smart growth" will tell you that this is not a debate about growth per se, but is a debate about the form growth should take. While I take them at their word at this, I think we are being naive if we fail to recognize that growth management schemes can easily become the machinery of negation by existing residents. To pick a nearby example, the angry voters attending Fairfax County Commission meetings

are not arguing over the form of development: they simply want less of it because, as several told the Washington Post a few months ago, our housing values are stagnant because the county is allowing too many homes to be built.

Everyone's favorite model for enlightened growth management these days Portland, Oregon is starting to show the same kind of exclusionary effects that have long been observable in the boutique regions of Boulder, Colorado, and Santa Barbara and Marin Counties in California: disproportionately rising housing prices (see table below), and signs that in-migration is being deterred, which is no doubt what many Oregonians had in mind all along. The Wall Street Journal recently carried a short news item regarding the rising number of people moving out of Oregon the only western State where this can be observed.

Federal policy, whether funding for open space purchases, or infrastructure policy such as ISTEA, should guard against the potential for exclusionary effects. This is very difficult to do. A more effective alternative to land use regulation would be variable rate road pricing, which would not only affect individual incentives for the time of day and amount of driving people do, but would also become a factor in site-selection decisions for business location. Both would help encourage more compact and efficient use of land and roads.

Median Home Prices

	1990	1998	90-98% Increase	Housing Cost Index[1]
Portland	79,500	160,000	102.0	121.7
Salt Lake City	69,400	133,300	92.1	96.5
Phoenix	84,000	121,900	45.1	103.3
Las Vegas	93,000	130,800	40.6	104.7
Denver	86,400	149,100	72.6	103.4

* 1996 HCI, U.S Census Bureau (median income related to median housing prices; U.S. average = 100)
Note the contrast with the "sprawling" cities of Phoenix and Las Vegas.

STATEMENT OF GARY GARCZYNSKI, NATIONAL ASSOCIATION OF HOME BUILDERS

Where We Live, Work and Play

The concept of "Smart Growth" has exploded onto the national consciousness as one of the most critical issues confronting America today. It touches on choices we Americans hold close to our hearts—where we live, work and play, the education of our children, commute times to work, and the economic and job opportunities created by new growth in our communities. It is an idea that addresses the questions of how best to plan for and manage growth, when and where new residential and commercial development as well as schools and major highways should be built and located and how to pay for the infrastructure required to serve a growing population.

In its broadest sense, Smart Growth means meeting the underlying demand for housing created by an ever-increasing population and prosperous economy by building a political consensus and employing market-sensitive and innovative land-use planning concepts. It means understanding that suburban job growth and the strong desire to live in single-family homes will continue to encourage growth in suburbia. At the same time, Smart Growth means meeting that housing demand in "smarter ways" by planning for and building to higher densities, preserving meaningful open space and protecting environmentally sensitive areas.

The key elements of NAHB's Smart Growth strategy include the following:

Anticipating and planning for economic development and growth in a timely, orderly and predictable manner;

Establishing a long-term comprehensive plan in each local jurisdiction that makes available an ample supply of land for residential, commercial, recreational and industrial uses as well as taking extra care to set aside meaningful open space and to protect environmentally sensitive areas;

Removing barriers to allow innovative land-use planning techniques to be used in building higher density and mixed use developments as well as in-fill developments in suburban and inner-city neighborhoods;

Planning and constructing new schools, roads, water and sewer treatment facilities and other public infrastructure in a timely manner to keep pace with the current and future demand for housing, and finding a fair and broad-based way to underwrite the costs of infrastructure investment that benefits the entire community;

Achieving a reasonable balance in the land-use planning process by using innovative planning concepts to protect the environment and preserve meaningful open space, improve traffic flow, relieve overcrowded schools and enhance the quality of life for all residents; and

Ensuring that the process for reviewing site-specific land development applications is reasonable, predictable and fair for applicants and contiguous neighbors.

Most important, Smart Growth is understanding the aspirations of Americans—the very people comprehensive growth plans are intended to serve—while protecting the environment and quality of life for all Americans. Where do people want to live? What type of homes do they want for themselves and their children? What can they afford? What types of jobs and economic opportunities do they seek and expect?

Ironically, the concept of Smart Growth has emerged on the 50th anniversary of the nation's 1949 National Housing Act, the landmark bill in which Congress first set forth the national goal of "providing a decent home in a suitable living environment for every American family."

Housing's Record Accomplishments

Since then, the achievements of the housing industry have been nothing short of remarkable. In the past 50 years, home builders have built nearly 75 million new homes and apartment units, or three of every four housing units in the country today. Millions more have been remodeled and rehabilitated. The homeownership rate has increased from 44 percent to a record 66.3 percent today. And, in recent years, a strong economy, low interest rates and improvements in the housing finance system have opened the door to homeownership for millions of minorities and immigrants previously unable to buy a home. The quality of new housing has also improved steadily over the past 50 years, making today's new homes more comfortable, more durable, easier to maintain and much more energy-efficient than ever before.

The benefits of this housing growth reach far beyond the housing market. New housing construction has helped lift the nation's economy to new heights, creating millions of jobs in home building-related industries each year. It has expanded the tax base and generated billions of dollars of tax revenues for local governments, and triggered spending for goods and services that accounts for about 4 cents of every dollar spent in the U.S. annually. It has also contributed greatly to individual financial security, allowing America's 69 million home-owning households to accumulate $5 trillion in home equity, which accounts for close to half the net worth of those households.

But the job of housing America is far from complete. The nation's population is projected to grow by about 30 million people over the next 10 years. More than a million new households are being formed annually. America's home builders will have to construct between 1.3 and 1.5 million new housing units each year just to meet the underlying demand for shelter during the next decade. This does not include the additional housing units and support required to meet the housing needs of more than 5 million Americans who still live in substandard housing or pay more than 50 percent of their incomes for rent.

Building a Political Consensus

How well we plan for projected increases in households, changing demographics and lifestyles and an expanding economy will have a major impact on the quality of life in years ahead. When used properly as a planning tool, Smart Growth can help expand homeownership opportunities and allow Americans to obtain the home and lifestyle of their dreams. There are some, however, who want to turn Smart Growth into a tool to stop or slow growth. Such a move would penalize and put at greatest risk those living at the edge of housing affordability—the young, minorities, immigrants and moderate-income families who are just now taking advantage of today's economic prosperity and low interest rates and are entering the homeownership market in record numbers.

It is also worthwhile to note that residential and commercial growth is fluid—meaning that when it is stopped in one place, it will inevitably occur somewhere else. The forces of no growth are, in part, responsible for the leapfrog development patterns of the past. Attacking past development patterns and blaming builders does not recognize the fact that public policy dictates where development occurs. Such political rhetoric is not only wrong and counterproductive but it polarizes the very people who should sit down together and work out solutions on Smart Growth.

Understanding where people want to live and the homes they want to live in is the first step in mapping the patterns of growth for America in the decade ahead. Seeking common ground and building a political consensus must follow. This discussion should start in each local jurisdiction—city, county or township—because the

politics of growth are uniquely local and because the authority to determine land use is vested in local government. While general planning principles are useful, the actual planning tools and strategies selected will vary according to local market conditions.

The Federal Government's role should be to encourage—not mandate—local communities to adopt long-term comprehensive plans that will meet the demand for new housing, public infrastructure and other services in the decade ahead. The concept of purchasing open space should not be used to block the path of development, a move that would exacerbate the leapfrog development patterns of the past.

"Smart Growth" Principles

The National Association of Home Builders endorses the concept of Smart Growth as outlined in this statement. When used appropriately and in concert with market forces, Smart Growth can serve as a blueprint for planning and building an even better America in the years ahead. To assist local communities in developing Smart Growth plans, NAHB supports and encourages implementation of the following concepts:

Meeting the Nation's Housing Needs: As a fundamental part of any "Smart Growth" plan, a community must plan for and accommodate its anticipated growth in economic activity, population and housing demand as well as ongoing changes in demographics and lifestyles. For example, when setting aside meaningful open space, a local community should rezone other land to assure there is an ample supply of land available for residential development. For the nation, annual increases in population mean that America's home builders will have to construct between 1.3 and 1.5 million new housing units per year to meet the underlying demand for shelter. Meeting this demand for shelter and increasing homeownership opportunities are compelling national goals that must be addressed in every community's comprehensive growth plan. It is the responsibility of every community to plan for and embrace the growth that is naturally triggered by economic prosperity. I11Providing a Wide Range of Housing Choices: NAHB recognizes the basic right of every American to have a free choice in deciding where and in what kind of home to live. In poll after poll, Americans continue to show a strong preference for single-family homes in a suburban setting. In fact, when asked in a recent survey whether they would prefer a single-family home on an individual lot in an outlying suburban market versus a smaller townhouse located near the urban core and closer to work and mass transit, the vast majority of prospective home buyers chose the detached single-family home. Communities should recognize these basic preferences as part of any comprehensive planning process. NAHB supports planning for growth that allows for a wide range of housing types to suit the needs and income levels of a community's diverse population, while recognizing "smart ways" to manage growth by permitting higher densities, preserving open space and protecting environmentally sensitive areas. And while recent gains in homeownership rates are commendable, the dream of owning a home or simply finding decent, affordable housing is still an ongoing struggle for millions of American families. Any Smart Growth planning process, therefore, should provide for affordable housing at all income levels.

A Comprehensive Process for Planning Growth: NAHB supports comprehensive land-use planning that clearly identifies land to be made available for residential, commercial, recreational and industrial uses as well as land to be set aside as meaningful open space. Such plans should protect environmentally sensitive areas as well as take into account a community's projected economic growth rate, demand for new housing and expanded infrastructure—road, schools and other facilities—required to serve a growing population. Builders, land developers and other industry members should be encouraged to lend their expertise and participate in the design and periodic review of a community's comprehensive planning process.

Planning and Funding Infrastructure Improvements: NAHB encourages local communities to adopt balanced and reliable means to finance and pay for the construction and expansion of roads, schools, water and sewer facilities and other infrastructure required to serve a prosperous community. Planning major infrastructure improvements—particularly transportation—requires cooperation across governmental boundaries to resolve issues. Reducing traffic congestion, relieving overcrowded classrooms and providing other public facilities and services are absolutely essential components of any "Smart Growth" plan. Ensuring that the construction of schools, roads and other infrastructure keeps pace with the anticipated growth in population and economic activity is one of the biggest challenges facing local communities today. Appropriate bodies of government should adopt capital improvement plans (with timing, location and funding elements) designed to fund necessary infrastructure required to support new development. Ensuring that infrastructure is funded

equitably and that the cost is shared equitably throughout all segments of the community—existing residents as well as newcomers—is an even greater challenge.

Using Land More Efficiently: NAHB supports higher density development and innovative land-use policies to encourage mixed-use and pedestrian-friendly developments with access to open space and mass transit. To generate greater public support for this type of development, however, will require a change in thinking by people opposed to higher density development in their own backyards, by local governments that have erected barriers to higher density development and are easily influenced by citizen groups opposed to any new growth and by typical housing consumers who continue to favor a single-family home on an individual lot.

Revitalizing Older Suburban and Inner City Markets: NAHB recognizes that revitalizing older suburban and inner city markets and encouraging in-fill development is universally accepted as good public policy. But even under the best of conditions, in-fill development will satisfy only a small percentage of a community's demand for new housing. The joint effort announced on Feb. 4 by Vice President Al Gore, the U.S. Conference of Mayors and NAHB to construct 1 million additional market-rate housing units in the nation's cities and inner-ring of the suburbs over the next 10 years is an achievable goal. But to reach that goal, the Administration and nation's cities will have to work closely with the housing industry to overcome major impediments, such as aging infrastructure that makes redevelopment costly and difficult, and Federal liability laws that increase risks for builders involved in the redevelopment of "brownfield" sites. Making cities safe from crime, improving the quality of schools and creating employment opportunities are prerequisites for rebuilding the nation's inner cities and for encouraging people to return to them.

As we prepare to enter a new millennium, our nation faces many challenges. One of the most significant is ensuring that, as our population grows and our economy prospers, growth and development occur in a smart, orderly and predictable fashion. The nation's home builders and the 197,000 members of the National Association of Home Builders are committed to pursuing reasonable and market-driven "Smart Growth" strategies that will meet the nation's housing needs, expand homeownership opportunities, help revitalize the nation's cities and inner suburbs, and build attractive and livable neighborhoods and communities and an even more prosperous America in the 21st century.

[Press Release From the National Association of Home Builders]

SMART GROWTH STRATEGIES MUST ACCOUNT FOR HOME BUYER PREFERENCES, LOCAL NEEDS

WASHINGTON, MARCH 17.—Communities seeking to embrace Smart Growth land-use strategies need to adopt locally specific, comprehensive plans that take into account home buyer preferences, housing demand, and public infrastructure requirements, the National Association of Home Builders (NAHB) told Members of Congress today. The Federal Government should encourage, though not mandate, such plans.

Testifying before the Senate Environment and Public Works Committee on the topic of Smart Growth, NAHB Vice President/Secretary Gary Garczynski said that since the politics of growth are uniquely local and the authority to determine land use is vested in local government, Smart Growth planning should start in local jurisdictions. "The Federal Government's role should be to encourage—not mandate—local communities to adopt long-term comprehensive plans that will meet the demand for new housing, public infrastructure and other services in the decade ahead," he said.

Garczynski, who has 30 years of experience in the building and land development business, said the 197,000-member NAHB supports "reasonable and market-driven land use strategies that will meet the housing needs of this country while expanding homeownership opportunities, revitalizing cities and building attractive communities." As an example, he cited a newly formed partnership among NAHB, the nation's mayors, the Department of Housing and Urban Development and the Office of Vice President Al Gore. The partnership's goal is to build new homes in the nation's cities and inner-ring suburbs.

Garczynski identified six key elements of NAHB's own Smart Growth Strategy, including:

1. Anticipating and planning for economic development and growth in a timely, orderly and predictable manner;

2. Establishing a long-term comprehensive plan in each local jurisdiction that provides ample land for residential, commercial, recreational and industrial use while also protecting open space and environmentally sensitive areas;

3. Removing the regulatory and planning barriers that stop innovative planning and hinder mixed-use, infill and inner-city development;

4. Planning and constructing new schools; roads and other public infrastructure to keep pace with the current and future demand for housing, and finding an equitable way to pay for that infrastructure without pitting existing residents against future residents;

5. Achieving balance in the planning process by using innovative planning concepts to achieve Smart Growth's goals and enhance the quality of life for all residents; and??

6. Ensuring that the process for reviewing site-specific land development applications is reasonable, predictable and fair for applicants and neighbors.

"Smart Growth starts by recognizing where people want to live and the homes they want to live in," said Garczynski. "We must remember that in survey after survey, Americans continue to show a strong preference for single-family homes in a suburban setting."

Garczynski also urged Congress not to mistake no-growth agendas for Smart Growth, saying the greatest risk of such policies is that they will compromise housing affordability, especially for first-time buyers, minorities, immigrants and median-income families.

"No-growth or slow-growth policy is ultimately self-defeating," he said, because eliminating opportunity doesn't eliminate demand. "More than a million new households are formed in this country every year, and home builders will have to construct between 1.3 and 1.5 million new housing units annually to meet demand through the next decade."

[Press Release from the National Realty Committee]

TARGETED FEDERAL REFORMS, INVESTMENTS COULD ADVANCE "SMART GROWTH" IN CITIES, SUBURBS

By supporting investments in open space and reforming policies that undermine local efforts at more effective land-use planning, Federal policy makers can help America's communities address sprawl-related concerns and improve their quality of life and competitiveness, National Realty Committee testified today before the Senate Environment and Public Works Committee.

As a result of smart growth planning policies, many cities are experiencing a "kind of renaissance," NRC Environmental Policy Advisory Committee Chairman Nelson C. Rising advised members of the Committee. "San Francisco, Portland, Boston, New York and Chicago demonstrate a rich mixture of residential and job-intensive commercial and retail uses, attention to the public realm and plenty of open space. Similarly, suburban areas with a strong jobs housing mix, easily accessible retail and office districts, transit- and pedestrian-friendly neighborhoods, and substantial amounts of open space are also flourishing."

Rising is chief executive officer of Catellus Development Corporation, a publicly traded, diversified real estate company based in San Francisco. The company has a portfolio of 21 million square feet of income-producing properties and land that would support 18,000 residential units and approximately 48 million square feet of commercial space located throughout California, as well as in Dallas, suburban Chicago, Denver, Phoenix and Portland.

Rising also said the Clinton Administration's proposed "Better America Bonds" would allow local governments to "make their own decisions about open space preservation, redevelop their own brownfields properties and address other environmental issues." He added that bond financing is a cost-effective and equitable mechanism for encouraging smart growth because it allocates the cost of acquiring green space over several generations.

For communities across the country, smart growth is an issue of competitiveness. "In today's tight labor markets, communities that seek to attract top employers must demonstrate that they can offer a quality of life that will help companies recruit and retain the best work force they can," Rising said. For commercial real estate, he said, "well-planned communities with strategies for preserving quality open space offer better investment opportunities than communities with less planning discipline."

As Real Estate's Roundtable, National Realty Committee is the country's leading public policy advocate for income-producing real estate. NRC's members are top

business leaders from more than 200 publicly and privately owned companies across all segments of the industry, including owners, builders, lenders, managers, advisors and investors.

STATEMENT OF NELSON RISING, CATELLUS DEVELOPMENT CORPORATION

Thank you Chairman Chafee, Senator Baucus, members of the committee. My name is Nelson Rising. I am the CEO of Catellus Development Corporation, a San Francisco-based publicly traded, diversified real estate company. The company has a portfolio of 21 million square feet of income-producing properties, and land that would support 18,000 residential units and approximately 48 million square feet of commercial space located throughout California, as well as in Dallas, suburban Chicago, Denver, Phoenix and Portland. I am speaking today on behalf of the National Realty Committee (NRC). NRC's members are top business leaders from more than 200 public and privately owned companies across all segments of the real estate industry, including owners, builders, lenders, managers, advisors and investors.

Our entire industry not just our members has a stake in smart well-planned growth. I can tell you from personal experience that well-planned communities with strategies for preserving quality open space offer better real estate investment opportunities than communities with less planning discipline. As you may know, many cities today are experiencing a kind of renaissance. The success stories include places like San Francisco, Portland, Boston, New York and Chicago that demonstrate a rich mixture of residential and job-intensive commercial and retail uses, attention to the public realm and plenty of open space. Similarly suburban areas with a strong jobs-housing mix, easily accessible retail and office districts, transit- and pedestrian-friendly neighborhoods, and substantial amounts of open space are also flourishing. In other words, smart growth is already beginning to demonstrate its value in the market place.

For many communities across the country the ability to facilitate smart growth, and the quality-of-life issues encompassed by that term, is not so much a luxury, as it is a necessity. Indeed, it's a matter of competitiveness. In today's tight labor markets, communities that seek to attract top employers must demonstrate that they can offer a quality of life that will help companies recruit and retain the best work force they can. For example, in Atlanta, Georgia, it was a real wake-up call for the city when Hewlett Packard decided not to pursue a substantial campus expansion citing worker complaints over traffic congestion and related problems. NRC Executive Committee member, Michael R. Buchanan, who is a senior executive of Bank of America, noted at a recent Atlanta forum on smart growth that business leaders are sometimes among the first to recognize the serious consequences to their communities of a deterioration in key quality of life indicators.

The first question that needs to be answered is how can communities best accommodate the absolute certainty of additional growth while maximizing its most beneficial elements. No one is against the jobs, local tax revenues, more affordable housing and other amenities that well-planned development can provide. But, at the same time, citizens are increasingly demanding that growth be facilitated without increasing local income taxes to pay for infrastructure costs, without increasing traffic congestion to unacceptable levels and without degrading environmental resources, including open space. As a Californian I am particularly concerned about how to address this issue. The Census Bureau tells us that by the year 2025, California will add the equivalent of the current population of the State of New York. This expected growth as well as growth in other areas around the country can only be accommodated successfully if we are attentive to the principles of smart growth.

The next question is what can Congress and the rest of the Federal Government do to respond to the public's growing demand for smarter growth and more open space. The answer is that it can advance policies and legislation that will provide State and local governments additional resources to grow smarter; and it can reform existing Federal laws and policies that inadvertently impede the ability of States and local communities to grow in smarter ways. While Washington can help, the parameters of the Federal role need to be carefully defined to ensure local governments continue to chart their own paths. In addition, it's essential to respect the law of unintended consequences. I don't need to tell you that Federal involvement in local land use issues while already significant has sometimes been unpopular, unproductive, or both.

I am not an expert on existing Federal programs, but I understand there is a bipartisan effort underway to fully fund some of the most critical existing conservation programs including the Federal "Land and Water Conservation Fund." NRC supports that effort. In addition, I suggest the committee give the Administration's

"Better America Bonds" proposal the serious consideration it deserves. Its basic premise seems to me to be a good one: to offer local governments the resources to help gain the leverage that additional bonding authority can provide. With the funds from the bond issues, local governments can make their own decisions about open space preservation, redevelop their own brownfields properties and address other environmental issues. Bond financing whether locally or federally subsidized is, in my view, not only more cost effective but also more equitable than using current appropriations of tax dollars. This is because it allocates the cost of acquiring green space over the life of the bonds. In that way it ensures contributions from the current and the next generation. After all, our children or our children's children will also be benefiting from the preservation efforts we pursue today.

Another constructive step this committee could take is to ensure Federal policies advance rather than inadvertently undermine the efforts of communities to pursue their vision of smart growth. To a degree I know I may be preaching to many of the converted here because the ESA and Superfund bills passed out of this committee in the last Congress would have gone far to resolve some of the impediments I will touch on here. I'm speaking here especially of the brownfields provisions in Senator Smith's Superfund bill or, for that matter, the very similar provisions in Senator Lautenberg's current stand-alone "brownfields" bill, S. 20. I also believe the provisions of the bipartisan ESA bill approved by this committee in the last Congress dealing with habitat conservation planning and the "no surprises" assurances would facilitate smart growth.

To encourage landowner participation in smart growth planning, Federal land-use laws such as the Endangered Species Act (ESA) or the wetlands provisions of the Clean Water Act should offer safe harbors to landowners that participate constructively in achieving the goals of the statute. By that I mean regulatory certainty should be offered to landowners whose projects advance environmental and economic objectives in tandem. With the prospect of greater certainty regarding what the rules are and how long they will remain in effect, landowners become far more motivated and constructive partners with local, State and Federal regulators whether the issue is recycling brownfields properties or pursuing habitat conservation planning. Certainly California's experience with development agreements and the experience of other States with so called "vested rights" agreements bear this point out.

More specifically, business, municipal and environmental groups have all pointed out that uncertainty regarding possible Superfund liability no matter how remote remains a factor favoring developments outside of urbanized areas and in so-called "greenfields." By the same token legal concerns regarding the ability of Federal regulators to make good on their no-surprises assurances under ESA inhibits some landowners from participating in habitat conservation planning. As for the wetlands program administered by the Environmental Protection Agency (EPA) and the Army Corps of Engineers, no one seems to have proposed a safe harbor for smart growth in that arena. As a result, national policies still favor preserving tiny wetlands in the middle of retail or office projects even when the development occurs in highly urbanized areas. NRC is of the view that smart growth, including in-fill projects, could be advanced if the Federal Government offered those types of projects greater opportunity to mitigate wetlands impacts offsite including use of mitigation banking. In addition, there appears to be new thinking at EPA regarding the Clean Water Act's stormwater runoff provisions which causes us great concern. A potential Federal land use program under consideration at EPA may be focused on controlling the way individual projects are planned at the site level. Such a program bears the risk of micro-managing local land use in a very unproductive fashion and on a more comprehensive scale than the wetlands or endangered species program.

Environmental and land use laws are not the only ones that may inadvertently undermine smart growth. Federal tax policies also require reconsideration in light of smart growth objectives. I recognize these laws are not within the immediate jurisdiction of this committee. However, if you will indulge me I would like to offer some examples of how the IRS code can undermine the kind of development usually characterized as "smart growth." It is the peculiar way the tax code treats the renovation of existing buildings. And it actually adds to the pressure to build new buildings usually in so-called "greenfields" outside existing urban areas. Very briefly, today's depreciation rules for real estate don't differentiate between the economic useful life of improvements to leased space and the tax life of the overall building structure. As a result, current tax law dictates a depreciable life for leasehold improvements of 39 years the depreciable life of the entire building even though most lease terms average only 7 years. The implication of this policy is that the cost of upgrading existing space in existing buildings is artificially high. This increased tax cost adversely affects the modernization of buildings for example, by incorporating

more energy efficient components. This enhances demand for brand new development at the suburban fringe and contributes to the deterioration of urban centers with older building stock. To fix this anomaly we recommend a cost recovery period for leasehold improvements of 10 years, a period somewhat longer than the average lease term.

Similar problems exist with the tax treatment of demolition costs for nonhistoric structures and environmental cleanup expenses problems that affect many environmentally desirable in-fill development projects. Under current law, demolition costs and the unrecovered basis of any demolished structure must be capitalized and added to the basis of the land, rather than deducted. This tends to discourage acquisition of land that includes a structure which must be demolished (in part or in full) to construct a more suitable improvement. This is because the cost of demolition is not recoverable until the underlying land is sold. More appropriate tax treatment would permit demolition costs to be added to the basis of the new building and amortized over a reasonable period (60 months) or at least depreciated over the life of the building.

Like demolition expenses, costs to clean up land purchased in a contaminated State must be capitalized and added to the basis of the nondepreciable land. The 1997 Taxpayer Relief Act provided immediate expensing of brownfield cleanup costs in empowerment zones and other high poverty targeted areas. This tax treatment should be made a permanent part of the tax code and should be extended in some fashion to nontargeted areas as well. If not immediate deductibility, then more rapid amortization periods, such as 60 months, would be appropriate. As with demolition expenses, requiring that environmental cleanup costs be capitalized is a disincentive to the acquisition and redevelopment of sites in some already urbanized areas.

To sum up, I would simply say that smarter growth and more open space conservation would not only bring environmental benefits but also economic ones. I note that the Democratic and Republican leadership of this committee are both senior members of the Finance Committee. We would encourage you to share some of these economic issues with your colleagues on that committee as well. Our members stand ready to assist you in advancing these objectives with rational Federal policies. I would be happy now to take any questions you may have.

Thank you.

STATEMENT OF MEG MAGUIRE, SCENIC AMERICA

On behalf of the Scenic America Board, our 3000 members, and 15 state scenic conservation organizations[1] I am writing in strong support of S. 446, Permanent Protection for America's Resources 2000. Scenic America's mission is to preserve and enhance the scenic character of America's communities and countryside. This exceptional bill will help communities throughout the Nation take steps to preserve natural beauty and their distinctive character by restoring urban parks and historic buildings, acquiring land for recreation and conservation, and conserving fish, wildlife and endangered species.

I speak from direct experience about the legislation under consideration. From 1977–1981 I served as Assistant Director and Deputy Director of the Heritage Conservation and Recreation Service (HCRS) at the U.S. Department of the Interior. HCRS administered the Land and Water Conservation Fund (LWCF), the Historic Preservation Fund (HPF), and we authored and then administered the Urban Park and Recreation Recovery Program (UPARR).

Scenic America request three changes in the bill which we believe will strengthen it and respond to pressing unaddressed needs and opportunities.

- First, we request that Sec. 3 (7) Findings and Purpose include also the growing threat to our scenic heritage which is rapidly obliterating America's rich diversity of places.

As billboards, inappropriately sited cellular towers, strip development and sprawl malls erase treasured vistas, our parks and wilderness areas have too often become enclaves of beauty within a sea of visual blight. Polls show that Americans are distressed, not only about the loss of open space, but also the loss of community character.

- Second, to address this issue, we request that the Land and Water Conservation Fund be amended to include acquisition of less-than-fee interests, such as easements, to protect threatened scenic areas associated with national, state and local recreation and wilderness areas.

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[1] State affiliate organizations in CA, FL, KY, MI, MO, NC, OH, TX; associated organizations in AL, IL, MN, MT, NJ, TN, VA.

Acquisition of scenic easements can contribute immeasurably both to our recreation experience and to other conservation and preservation goals, while retaining the working landscapes that are such an important part of our heritage. This country now has a great deal of experience with easements which we did not have when the LWCF was enacted in 1965 or when it was amended in 1978. In addition to the large national organizations such as the Nature Conservancy, the Trust for Public Land and the Conservation Fund, there are over 1200 local land trusts in America today which have established guidelines and procedures for monitoring and enforcement of easements, and for dealing constructively and creatively with local land owners on a range of issues. In addition, extensive use of easements in the Adirondack State Park and the New Jersey Pinelands has shown that less-than-fee interests in land can accomplish both public and private objectives. Moreover, the opportunity to leverage Federal funds for recreation and scenic conservation have never been better as the private sector—corporations and foundations alike—show unprecedented interest in saving the American landscape.

• Third, we support a strengthened planning requirement for L WCF which requires state plans to be coordinated fully with other statewide and local land use, transportation, conservation and preservation plans.

It is imperative that we avoid the kind of insulated, overly statistical outdoor recreation plans which too often the states have produced. Rather, outdoor recreation plans should ensure that outdoor recreation goals are fully integrated into all aspects of state planning. In so doing, the state agencies administering the LWCF program should seek to involve political leaders and leaders in all affected areas in the planning process.

One of my responsibilities at HCRS was to approve state plans for recreation and historic preservation. While there were many excellent Statewide Comprehensive Outdoor Recreation Plans (SCORP), too often they were full of statistics to justify different types of sports facilities, with little reference to the larger land use context. Furthermore, while the public always had the right to comment on recreation plans, in relatively few states was the public meaningfully involved in planning.

Planning must be a key element in a reinvigorated LWCF. It should be based on the best integrated planning models, not on outmoded recreation models of the past. Both nationwide and state plans should reflect the most visionary thinking about the present and the future, look beyond local concerns to include a regional perspective across state lines, and be so good and so valuable to decisionmakers that they serve to guide government actions at all levels. Contemporary state outdoor recreation plans should complement smart growth strategies, metropolitan transportation plans, fish and wildlife conservation plans, and community revitalization plans throughout the state. Furthermore, state outdoor recreation plans of the future should propose innovative ways of leveraging the Federal investment through other sources of funds, both public and private.

Scenic America strongly supports S. 446 because we believe that the comprehensive provisions in these companion bills will be a powerful catalyst to preserve and enhance the distinctive character of our communities and countryside in the 21st century.

Thank you for the opportunity to submit this testimony.

OPEN SPACE AND ENVIRONMENTAL QUALITY

THURSDAY, MARCH 18, 1999

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to recess, at 9:32 a.m. in room 406, Dirksen Senate Office Building, Hon. John H. Chafee (chairman of the committee) presiding.

Present: Senators Chafee, Lieberman, Boxer, Thomas, Baucus, and Bennett.

OPENING STATEMENT OF HON. JOHN H. CHAFEE, U.S. SENATOR FROM THE STATE OF RHODE ISLAND

Senator CHAFEE. I want to welcome everyone here today.

We have several panels and a total of 10 witnesses, so we will be moving right along.

This is the second day of hearings on open space and environmental quality. Yesterday's hearing provides an introduction to the issues of open space, sprawl, and environmental quality. Today's hearing provides an opportunity to explore specific Federal proposals that are addressed to these issues and are likely to be raised during consideration of the budget resolution.

There are numerous proposals that address various aspects of sprawl and development. I'd like to just mention several of the broadest ones.

Senators Landrieu and Boxer have each done a tremendous job in developing S. 25, the Conservation and Reinvestment Act, and S. 446, the Resources 2000 Act. These bills each seek to redirect approximately 50 percent of the receipts from the oil and gas drilling in the outer continental shelf from the Federal Treasury to specific State and Federal programs.

While these bills do not directly address the problems of land development and sprawl, they each have significant funding for programs that can be used to promote smart growth, open space, conservation, and habitat protection.

Several narrower bills have also been introduced to address specific aspects of open space and farmland conservation. Senator Feinstein has S. 532, to provide mandatory spending from the Land and Water Conservation Fund at its fully authorized level of $900 million.

Senator Leahy has introduced S. 333, a bill to allow matching Federal grants for acquisition of conservation easements for preserving farmland.

Last, Senator Lautenberg has introduced S. 20 relating to brownfields redevelopment.

The Administration has developed two initiatives to address open space and environmental quality—the Lands Legacy Initiative and the Livability agenda.

I will now note that Administrator Browner of EPA was here only 2 weeks ago, so this committee has had an opportunity to hear about the Better America Bonds program, and I hope to focus today on other aspects of the Administration's proposal.

I'd like to say a word on jurisdiction. While most of these proposals fall in the jurisdiction the Committees on Energy and Natural Resources, Agriculture, or Finance, the Committee on Environment and Public Works has a keen interest in how these bills progress. Several provisions of these bills address subjects under this committee's jurisdiction, and my staff is engaged in ongoing discussions with staff of other committees at this point.

As with yesterday, we have a wonderful gathering of witnesses. Senators Landrieu, Feinstein, and Leahy will discuss their bills, and we're honored to have Parris Glendening, Governor of Maryland, also join us. I look forward to hearing their testimony, as well as that of our other witnesses.

I'm delighted that Senator Lieberman is here, as well as Senator Boxer. If you'd like to have a brief statement, Senator Lieberman, why don't you go ahead.

OPENING STATEMENT OF HON. JOSEPH I. LIEBERMAN, U.S. SENATOR FROM THE STATE OF CONNECTICUT

Senator LIEBERMAN. Thanks, Mr. Chairman. Very briefly, I'd ask unanimous consent to a longer statement that I would have included in the record.

Senator CHAFEE. Fine.

Senator LIEBERMAN. I'd just thank you for holding this series of hearings, and thereby putting this committee into a leadership position in the dialog here in Congress on how we, as a Nation, can quite literally shape the landscape of our own lives.

The dialog has been percolating up from our towns and States for some time now as people begin to confront basic questions of livability and breatheability, about the encroachments of development and the erosion of open space, about the cost to our families and to our own sense of place.

These are very interesting, different kinds of public concerns. I must say that I find them—very often in Connecticut, sometimes campaigns give you, in addition to other things, a reading actually on what people are thinking. As I went around with State legislative candidates in Connecticut last fall, Mr. Chairman, I asked, "What are people talking to you about?" And over and over again the question was, "Open space"—a concern that, in some ways, the glories of a good economy and a good life—which is to say, development—are now going on in a way that seems unplanned and unmindful of the sensibilities of people's lives, and they are yearning for leadership from government to help them—not to stop development, but to help them to order it and to preserve the openness, the space which certainly, in a State like Connecticut, defines and elevates life there.

So I think there are a lot of interesting questions, a lot of interesting opportunities. Clearly, we are going to be focusing today and throughout this Congress on the Land and Water Conservation Fund, which has represented a strong commitment of the Congress to conserve natural treasures and preserve open space. Because the program is authorized to fund Federal, State, and local conservation and recreation activities, the Fund is definitely an avenue through which the Federal Government can help States and localities choose how and where to conserve open space and how and where to develop and redevelop their communities.

Sadly, over the last years the State portion of the Fund has gone unfunded, and I do think that fully funding the Land and Water Conservation Fund would be a tremendous step forward in meeting our obligation to help the States respond to this rising and broadly felt concern, not about the health of the environment, but also about the preservation of livability communities.

I look forward to the witnesses today, Mr. Chairman, and I thank you again for your leadership.

Senator CHAFEE. Well, thank you, Senator.

[The prepared statement of Senator Lieberman follows:]

STATEMENT OF HON. JOSEPH I. LIEBERMAN, U.S. SENATOR FROM THE STATE OF CONNECTICUT

Thank you, Mr. Chairman, for holding this important hearing and leading a dialog here in Congress on how we as nation will choose to quite literally shape the landscape of our lives.

This dialog has been percolating in our towns and our States for some time now, as the new millennium approaches and as concerns grow about the livability and breathability of our communities, about the encroachments of development and the erosion of open space, about the costs to our families and to our larger sense of place.

We have not yet quite reached an open revolt over the loss of open space. But I know that in my State of Connecticut and in many areas across the country, a lot of people are worried about what the future holds in terms of land conservation and basic health of our environment, and not just in suburbia but in urban and rural settings as well. Their angst was reflected in the high number of ballot initiatives that popped up across the Nation last year dealing with urban sprawl, smart growth proposals, and land conservation, and registered resoundingly in the passage of most of these initiatives.

In Connecticut, we recently passed an Open Space and Watershed Land Grant Program with the goal of preserving roughly half a million acres in open space—amounting to one fifth of the entire State's land mass—by the year 2023. Right now, there are 115 active and growing land trusts in Connecticut already working hard to protect and preserve lands in their own backyards. And in our urban areas, coalitions are forming to redevelop brownfields and reengineer transportation systems to help us revitalize these struggling communities, making them more attractive, accessible and neighborly.

Behind much of this debate about open space and "smart growth" is an evolution of the traditional land use and preservation agenda. In the case of the New Fairfield Land Trust, it's as clear as their mission statement, which they describe not just as preserving the land but "Preserving Our Future." Throughout the country there is a pervasive sense that if we don't take action to develop our natural spaces wisely, the very heart and soul of our communities could be in jeopardy. The relationship between humankind and the land has evolved over the years from taming the wilderness, to conservation, to preservation, and to the environmentalism of recent decades that incorporates strong social and public health influences. Now, as the pressures of modern living bear down on us, our society is increasingly turning to wild and open spaces not just for physical health and sustenance, but in search of a balanced relationship with our surroundings that nurtures the soul of our neighborhoods.

To respond to these concerns, we will have to engage in our own policy balancing act. On one hand, our goals will require the protection of valuable natural resources

and landscapes that we enjoy and hope to preserve for our children and grandchildren. On the other hand, it is imperative that we improve the every day quality of life in all communities so that those who live in urban and suburban areas can enjoy the benefits of a healthy environment.

Inherent in the call to preserve our natural environment and cultural heritage is a need for community renewal and an improved quality of life. For example, there is a building frustration with congested roads that cause us to risks our lives, pollute our air, and waste our time. By driving further on crowded highways to multiple jobs, schools, daycare, and stores, we're losing touch with our neighbors and our sense of community.

Urban sprawl and the loss of open space has not happened over night. As our economy has evolved from its industrial base, we've naturally spread outward again. We've built more houses, and needed more cars and roads. We've left our cities as jobs fled and crime and deteriorating schools proliferated. Thriving urban centers gave way to expanding suburbs, and with all these changes, we haven't as a nation taken stock of what we have lost. But we do know that if we fail to confront unplanned community growth, the loss of open space and loss of community will continue. We also know that if we fail to properly steward our coasts, forests, fields, and streams, we may lose the productivity that generations have depended upon—risking not just our farms and fisheries, but our way of life. And ultimately, if we continue developing everywhere, we risk creating what some have called a geography of nowhere.

The good news here is that American people are becoming more conscious of these threats, and have begun to conceive responses. State bond initiatives to finance open space conservation efforts are a start. Continued cleanup and redevelopment of abandoned industrial sites and inner cities represent steps forward. Regional transportation planning decisions that reduce traffic congestion are essential to assuring both a healthy environment and livable communities.

One thing that has been made clear in this growing dialog is that local and state input to the decisionmaking process is critical. The people who live near threatened land are in the best position to value it and commonly devise the most creative conservation and development alternatives to it. But it is also clear that these folks can't do it alone. We need a bigger vision to solve today's problems. And we need to think broadly, recognizing that healthy communities rely on a mosaic of relationships, infrastructure and institutions in order to thrive. The challenge of planning for a sustainable future is clearly a national responsibility, deserving of a collective, collaborative, and thoughtful response.

One of the issues that we will be hearing about today and throughout this Congress is funding of the Land and Water Conservation Fund. The Fund represents the commitment of all Americans to conserving natural treasures and preserving open space. Because the program is authorized to fund Federal, State, and local conservation and recreation enhancement activities, the Fund is an avenue through which the Federal Government can help States and localities choose how and where they conserve open space, develop, and redevelop their communities. Sadly, over the past 5 years, the State portion of the Fund has gone unfunded. Fully funding the Land and Water Conservation Fund represents a golden opportunity to make good on our obligation to leave future generations a healthier environment and more livable communities.

I look forward to hearing from the witnesses today and participating in a constructive dialog with my colleagues in the year ahead as we address challenges and capitalize on opportunities to wisely shape the landscape of our lives.

Senator CHAFEE. I'm familiar with what you're talking about, because you go north from Hartford up toward Greenfield, Deerfield, and that area, you see those lovely tobacco fields gradually being gobbled up. They're just a natural—they're flat as the palm of your hand.

Senator LIEBERMAN. Yes.

Senator CHAFEE. And absolutely marvelous soil there, but it is very tempting for developers to come there, and I guess there's not much money in primarily tobacco leaves for the wrappings for cigars, and I guess that has decreased.

Senator LIEBERMAN. Oddly, Mr. Chairman, although I know this is not the focus, this is how short-range decisions can have not only unintended economic consequences, but also land use consequences,

because when cigars were less popular, the wrapper leaf, which is grown in Connecticut, was not as valuable and land was not as valuable, and a lot of the tobacco farms were sold for development. Of course, now the cigar has made a thundering return to popularity—an aromatic, I should say, return to popularity, and those fields would have been probably more valuable today to grow tobacco, and also would have been more attractive to the eye than the development that has occurred on them.

Senator CHAFEE. Senator Boxer?

OPENING STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Senator BOXER. Thank you so much, Mr. Chairman. Thank you for holding this hearing.

It is a good time, because yesterday I want to let you know that in the Budget Committee, in a bipartisan way, we made room for these initiatives, and it wasn't that easy. We had a lot of debate about it.

Senator CHAFEE. How much money? Do you remember?

Senator BOXER. Well, we didn't put a specific amount. We just said that room will be made if there is agreement for this. It would be mandatory spending.

Senator CHAFEE. From the land and water conservation?

Senator BOXER. We just said it wouldn't count against the caps.

Senator CHAFEE. OK.

Senator BOXER. It would be mandatory. So I'm very happy about that. As I say, it was a very big debate, but it's good. And so what we're doing here today is not theoretical. I think we have a good chance of enacting some of these pieces of legislation.

I want to welcome Senators Landrieu and Leahy. I hope Senator Feinstein will be here. I know she had had the flu, and I hope she makes it here.

I want to say that I ask unanimous consent that my full statement be placed in the record.

Senator CHAFEE. Fine.

Senator BOXER. And, Mr. Chairman, also, if you would place the testimony that EPA had prepared for its delivery today, if we could put that in the record.

Senator CHAFEE. Fine.

Senator BOXER. Thank you very much.

I know that we've had some Californians who have testified here yesterday and we will have more today, and I want to welcome them. In California, as I always remind everyone, including myself, where we have 33 million people, we're expecting a population of 50 million people by the year 2020, so when we talk about livability and smart growth, this isn't something that we have the luxury of thinking about, we've got to do something about it. That's why I'm optimistic that we see so many bills before us in a bipartisan way dealing with making more resources available, not only for open space and smart growth initiatives, but to permanently protect our natural heritage and to help preserve farmlands and many issues that have, frankly, been ignored, in my opinion.

Congressman George Miller and I introduced the Permanent Protection for America's Resources 2000 Act, and I thank you for men-

tioning it in your opening remarks. We call it, "Resources 2000." In the Senate it has been endorsed by Senators Biden, Feinstein, Kerry—John Kerry—Lautenberg, Sarbanes, Schumer, Torricelli, and I'm trusting many more will join.

I think the fact that there are many bills out there—Senator Leahy's bill, Senator Landrieu's bill, Senator Feinstein's bill, and others—is very promising. I know Senator Murkowski has teamed up with Senator Landrieu on their bill. And, as I say, the Budget Committee recognized this bipartisan effort.

Sometimes I like to think about where we would have been without Teddy Roosevelt in the beginning of the 20th century. Without him, we wouldn't have had Grand Canyon, Mirror Woods, Crater Lake, and it seems to me we need to not only look back and say how wonderful that was, but look ahead and say, "We've got a job to do." And if we don't do it, then people will be looking back at us and saying, "Why didn't they act before everything disappeared?"

Every year, three million acres of farmland and more than 170,000 acres of wetlands disappear, and every day 7,000 acres of open space are lost forever. Senators Lieberman and Chafee were pondering that fact. Well, I think it is time to do something about it, and I know that you agree with me on that point.

We have a dedicated source of funding. In 1964 Congress looked at the offshore oil revenues. They are supposed to be used for a noble purpose of open space purchase, and it hasn't really happened. So the fact is, we get about $4.6 billion a year from oil and gas drilling on the outer continental shelf. The Miller-Boxer bill, which is the largest of the bills, allocates only half of that to protect our resources.

And, very quickly, I want to tell you in my closing minute what our bill does, because it is the broadest-sweeping bill: $100 million for urban parks and recreation, $350 million to restore native fish and wildlife, $250 million to restore Federal lands that are polluted or damaged, $300 million to protect and restore the health of our oceans—we've never done that before—$150 million to protect our vanishing farmlands and open space, $100 million to purchase habitat to help endangered species recovery, and $150 million every year to restore and protect our historical and cultural heritage through fully funding the historic preservation fund. And, of course, in addition to that, we have the $900 million a year for land and water conservation, as was envisioned by Congress in 1965 when the Fund was established. Half of that would go to the States every year.

So the good news is that fund has collected over $21 billion since 1965, Mr. Chairman, and the bad news is only $9 billion has been used for its intended uses. So this is an opportunity for us. Mr. Chairman, I can't imagine a better legacy for you. You've done so much for the environment. I'd love to work with you to see if we could do even more.

Thank you very much.

Senator CHAFEE. Thank you very much.

[The prepared statement of Senator Boxer and EPA testimony follows:]

STATEMENT OF HON. BARBARA BOXER, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Mr. Chairman, I want to thank you for holding this series of hearings. It is appropriate that Congress has finally decided to take a serious look at an issue that local communities have been dealing with for years—sprawl and smart growth.

I want to start by welcoming our Senate colleagues, Senator Landrieu and Senator Feinstein. It is pleasure to have both of you here with us today and I look forward to hearing your comments.

I would like to thank two Californians who testified yesterday—Nelson Rising from the National Realty Committee and Steve Hayward from the Pacific Research Institute. I would also like to welcome another California who will be testifying on the final panel today—Ralph Grossi from American Farmland Trust.

I am pleased to see that Californians seem to be at the forefront of this issue.

This is an issue for all Americans who know that we can grow the economy to grow and also protect and defend the beauty and history of our nation.

The record number of successful ballot initiatives directed at protecting open space and slowing suburban sprawl in the last election is an expression of the importance of these issues in people's everyday lives. In Ventura County, California, for example, citizens overwhelmingly supported a ballot initiative providing that agricultural and rural lands outside the city boundaries could not be developed until the year 2020. Development after that point may take place only with the approval of voters.

It is because of this overwhelming support for preservation of our open space and smart growth initiatives, that Congressman George Miller and I introduced the Permanent Protection for America's Resources 2000 Act. Cosponsors in the Senate include Senator Joe Biden, Senator Dianne Feinstein, Senator John Kerry, Senator Frank Lautenberg, Senator Paul Sarbanes, Senator Chuck Schumer and Senator Bob Torricelli.

I know there are many bills out there and this is good. On both sides of the aisle—we are finally talking about making a permanent commitment to America's natural resources. That can only happen if our States and local communities are able to make long term planning decisions.

As the 20th Century began, one of the greatest conservationists of all time, Theodore Roosevelt, was our President. From 1901 to 1909, Teddy Roosevelt set aside places that millions of Americans still enjoy today.

If not for Teddy Roosevelt's leadership, we might have lost such national treasures as the Grand Canyon, Muir Woods, and Crater Lake. These natural monuments stand as a lasting testament to TR's foresight and pioneering work in environmental preservation.

As the 21st Century approaches, we must renew our commitment to our natural heritage. That commitment must go beyond a piecemeal approach. It must be a comprehensive, long-term strategy to ensure that when our children's children enter the 22nd Century, they can herald our actions today, as we revere those of President Roosevelt.

Preservation in the 21st Century goes beyond protection of such wonders as Yosemite and Yellowstone. It must be include an urban park in East Los Angeles where children can play basketball, a farm in Tulare County that can continue to grow oranges or a historic building in Orange County that can be restored.

Today, our natural heritage is disappearing at an alarming rate. Each year, nearly 3 million acres of farmland and more than 170,000 acres of wetlands disappear. Each day, over 7000 acres of open space are lost forever.

Across America, parks are closing, recreational facilities deteriorating, open spaces vanishing, historic structures crumbling.

Why is this happening? Because there is no dedicated funding source for all these noble purposes—a source which can be used only for these noble purposes.

The Miller-Boxer bill offers the most sweeping commitment to protecting America's natural heritage in more than 30 years. It will establish a dedicated funding source for resource protection.

A major funding source for resource protection already exists. Each year, oil companies pay the Federal Government billions of dollars in rents, royalties, and other fees in connection with offshore drilling in Federal waters. In 1998 alone, the government collected over $4.6 billion from oil and gas drilling on the Outer Continental Shelf .

The Miller-Boxer bill would allocate a total of $2.3 billion every year from oil drilling revenues for permanent protection of America's resources. It provides:

- $100 million every year for urban parks and recreational facilities;
- $350 million to restore native fish and wildlife;

- $250 million to restore Federal lands that are polluted or damaged;
- $300 million to protect and restore the health of our oceans;
- $150 million to protect our vanishing farmlands and open space;
- $100 million to purchase habitat to help endangered species recovery;
- And $150 million every year to restore and protect our historical and cultural heritage through fully funding the Historic Preservation Fund.

The Historic Preservation Fund was established by Congress in 1977, to provide a dedicated source of funding to preserve our significant historic properties. And although Congress is authorized to spend $150 million from OCS revenues annually for this purpose, less than 29 percent of funding has been appropriated since 1977. That is more than $2 billion that could have been used to help restore the treasures of our nation scattered across the many States. In California, there's the Old Mint Building in San Francisco, Manzanar National Historic Site, and Mission San Juan Capistrano. Our bill would ensure that funds would be spent on their designated purpose.

Finally, the bill designates $900 million each year to purchase land by fully funding the Land and Water Conservation Fund as envisioned by Congress in 1965 when the Fund was established. Half would go to the States.

The good news is that Fund has collected over $21 billion since 1965. The bad news is that only $9 billion of this amount has been spent on its intended uses. More than $12 billion has been shifted into other Federal accounts.

The funding Congress has made available has allowed us to purchase some key tracts of land, but we have missed golden opportunities to buy critical open space because the Land and Water Conservation Fund was critically underfunded.

Thank you, Mr. Chairman, for holding this series of hearings. I look forward to working with you and other members of this Committee and the Senate Energy and Natural Resources Committee on this critical issue. This is necessary and important legislation that will benefit our Nation's natural heritage, and leave a lasting legacy for future generations.

Mr. Chairman, it's a chance to work across the aisle for all the people.

STATEMENT OF J. CHARLES FOX, ASSISTANT ADMINISTRATOR FOR WATER, ENVIRONMENTAL PROTECTION AGENCY

Good morning Mr. Chairman and members of the committee. I am Chuck Fox, Assistant Administrator for Water at the United States Environmental Protection Agency (EPA). I am very pleased to provide comment about the idea of open space and how it relates to environmental protection, water quality, and the Administration's Livability Agenda.

The Administration has been working to assemble the building blocks of a new approach to livable communities over the past several years. Let me mention two of these initiatives.

EPA and other Federal agencies are providing resources and tools to state and local governments to cleanup and redevelop brownfields—abandoned, potentially contaminated properties. EPA's effort has provided $65 million in grants to 250 communities, leveraged more than $1 billion in redevelopment investment, and created more than 2,000 jobs nationwide. Through the Brownfields National Partnership, more than 20 Federal agencies have collaborated to provide financial and technical support for local brownfields efforts.

Highlights of other Federal partners providing brownfields support include: the Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) program and Brownfields Economic Development Initiative (BEDI) grants; the Department of Commerce's Economic Development Administration with planning and economic development grants; and the United States Army Corps of Engineers (USAGE) providing expertise in environmental assessment and cleanup projects.

To help communities restore and revitalize rivers and riverfronts, the Administration established the American Heritage Rivers initiative. Through this initiative, 14 rivers have been designated to receive a "river navigator" whose job will be to help the community realize its vision by coordinating existing Federal programs. The Administration will be assisting local residents, communities, and other stakeholders to restore the health of their river and riverfront, promote economic revitalization, and preserve the cultural and historic heritage of the river.

The Livability Agenda

The Administration's Livability Agenda will provide communities with new tools and resources to: preserve green spaces for clean water and air and enhanced qual-

ity of life; ease traffic congestion; restore a sense of community by fostering citizen and private sector involvement in planning; promote collaboration to develop regional growth strategies; and enhance economic competitiveness.

To ensure that communities can grow according to their own values, the Administration's Agenda observes these key principles:

- Communities know best. Land use decisions are—and will continue to be—made by local entities.
- The Federal Government should inform, not dictate, patterns of future growth. Government can supply information, tools and resources to empower citizens and communities by helping them envision different strategies. Government can also provide incentives for communities to work together to address challenges of growth and development.

Our Livability Agenda also includes: transportation enhancements; regional smart growth partnerships; schools as community centers; community-Federal information partnerships; and regional crime-data sharing. It focuses broadly on a range of issues to improve the quality of life in a community and touches on important parts of our daily lives—the safety of our homes and streets, our commute to work, the schools where our children learn to read, and the parks where we relax.

Better America Bonds

A critical element of the Livability Agenda is the Better America Bonds program. The Better America Bonds Program will provide communities with an additional tool to preserve their open spaces, protect their water, revitalize their blighted urban areas, and improve their quality of life, in a manner that works best for them.

Better America Bonds can be used in three ways: First, Better America Bonds will further brownfields cleanup and reuse by providing a new source of flexible funding for communities' brownfields projects. The U.S. Conference of Mayors pointed to a lack of capital for local governments as the leading barrier to the clean-up and reuse of brownfields. Better America Bonds will supplement existing brownfields funding with bond proceeds, thus increasing the funds available for brownfields assessment and redevelopment. This spares green space by reusing already developed properties and restores green space by cleaning up contaminated properties at a time when we are losing over 700 acres per day of open space and farmland to development.

Second, State, Tribal and local governments, working alone or in partnership with land trusts and other nonprofit organizations, can create or restore urban parks, preserve suburban green spaces, and protect threatened farmland and wetlands by acquiring title or purchasing conservation easements using these new bonds.

Finally, Rivers, lakes, coastal waters, and wetlands can be restored or protected, streamside zones can be repaired and land can be acquired to reduce polluted runoff or protect drinking water sources.

Land conservation for environmental protection is not a new concept. There are several examples of existing State and local initiatives that could be assisted by Better America Bonds.

In 1990, Florida approved the Preservation 2000 program after a commission concluded that the most effective way to accomplish environmental protection is to enhance state land acquisition programs. Since then, $2.4 billion in bonds have been approved and more than 1 million acres of land have been acquired. These actions have helped improve water quality and foster smarter growth.

In North Carolina, the General Assembly recognized that restoring and protecting water resources depended upon their ability to restore riparian buffers, purchase conservation easements, restore degraded lands, and create a system of greenways. The Charlotte Observer stated that the Charlotte region is at the forefront of a national trend, "linking conservation with pragmatism . . . paying to protect water sources now rather than try to filter out pollutants later."

The City of Auburn, Maine, is maintaining drinking water quality standards, and avoiding the need for structural filtration, by purchasing land, conservation easements,

Senator CHAFEE. Senator Baucus?

OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. Thanks, Mr. Chairman.

Mr. Chairman, I'd just like to say how impressed I was with yesterday's hearing. The mayor from—was it Indianapolis?

Senator CHAFEE. Fort Wayne.

Senator BAUCUS. Fort Wayne, Indiana, as well as the county commissioner from Lancaster County, Pennsylvania, I thought were most helpful in giving detailed and nonpolitical examples of how sometimes the Federal Government gets in the way in land use planning, and I just wanted to tell you, Mr. Chairman, how wise it was for you to schedule those witnesses.

Today we're going to learn more how the Federal Government can be a partner more than how the Federal Government, as we learned yesterday how the Government got in the way. Today we'll learn more how it can be a partner with States and local governments to preserve open space.

I was struck with a major piece—it was ABC or NBC News the night before last on open space and what architects are doing in city planning to help make better use of space, and one thing that really struck me is getting rid of those garage doors when you drive up to the front door of a house and putting them in back of the house, not in the front so much.

But urban sprawl and space is a huge problem. We spend an awful lot of time in our cars driving. It's not that we're against cars; we just want an option besides cars. It's back to city planning. And with open space planning in States like mine, we want to make sure that we continue to have the open space and it is not destroyed, as it often is.

I'm especially pleased that Chris Montague of the Montana Land Reliance will be one of the witnesses later on. I look forward to his testimony.

Montana Land Reliance, Mr. Chairman, has done a terrific job in my home State of Montana. They're somewhat similar to other groups which have done a lot of work with easements—very creative. Nature Conservancy is another national organization that comes to mind which I think does excellent work. I know that Senator Landrieu is particularly interested in Land and Water Conservation Fund, which is another tool. There are many, many tools. The Administration's Better America Bonds is still another.

And we are finally in this country, I think, beginning to turn the corner and starting to address these questions in a very solid, positive way, and this hearing is going outstanding help make that happen, and I thank you.

[The prepared statement of Senator Baucus follows:]

STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Thank you, Mr. Chairman. I commend you for holding these hearings, to consider how we can maintain the quality of life in growing communities.

It's not just a big city issue. Or an East Coast issue. Or a California issue.

I represent Montana. Big Sky country. The least metropolitan State, with only three cities that have 50,000 people or more.

You might think that Montana is one place where open space would not be an issue.

You'd be wrong. It's a big issue. For two reasons.

First of all, open space defines us. It's why we call Montana the "Last Best Place." It's why the preamble of our State constitution begins by thanking God for "the quiet beauty of our State, the grandeur of our mountains, [and] the vastness of our rolling plains."

But Montana is changing. It's growing. In some places, growing very fast.

This decade, Montana's population has grown by more than 10 percent. In Flathead County—in northwest Montana—and Gallatin County—in south-central Montana—it's grown by more than 20 percent.

This growth has benefits. But it also has costs, in the form of sprawl, congestion, pollution, and an increased demand for services. An editorial in last Sunday's Billings Gazette put it this way: "Something must be done, or in time we will not have to lock the gate because the best parts of Montana will be ruined. Then no one will want to come here, let alone live here."

That said, preserving open space raises difficult issues. After all, one thing westerners love as much as open space is independence. We don't trust big government.

So Montanans have been trying to find a balance. We want to preserve open space and environmental quality, while avoiding red tape.

This requires creative approaches. For example, the Montana Land Reliance has been a leader in using conservation easements to preserve farmland. In the past 20 years, Montanans have acquired conservation easements over almost 500,000 acres of land.

Bozeman and Gallatin County are trying their own creative approaches. And the State is bringing community leaders together to help find the right balance.

I hope, Mr. Chairman, that these hearings also will help us find the right balance.

Two approaches may be particularly constructive.

First, let's make the Federal Government a better neighbor.

Right now, Federal agencies often work against the interests of the local community. For instance, they often abandon downtown areas that the community is trying to redevelop. I've seen this all across Montana, from Helena to Butte to Glasgow.

So we should reexamine Federal policies that contribute to sprawl.

We've made some progress. In recent highway bills, we tied highway construction more closely to environmental protection.

In addition, I have joined in asking the General Accounting Office to look at the effects of other Federal programs on sprawl. The report should be done by mid-April, and should help guide further action by this and other committees.

Second, let's help local communities get more control over their own destinies.

For example, the Administration has proposed Better America Bonds and the Lands Legacy Initiative.

Senator Lautenberg has proposed legislation to help redevelop brownfields, in inner city areas.

Senator Boxer and others have introduced bills to conserve open space and habitat, and protect farmland.

These are reasonable ideas that deserve careful consideration.

As I told EPA Administrator Browner a few weeks ago, I am particularly interested in the Administration's bond proposal. It would provide a financial incentive for communities to preserve open space, reduce water pollution, and protect the environment in other ways.

I also have questions. I want to make sure that the proposal is workable. I want to make sure that it supplements local control, rather than displacing it. And I want to make sure that the incentives are suited to the needs of western States, such as the need to preserve access to public land.

I look forward to the opportunity to explore these and other questions with our witnesses.

Senator CHAFEE. Thank you very much.

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

Senator Thomas?

Senator THOMAS. Thank you, Mr. Chairman. I just wanted to make a few comments. I wasn't able to be here all the time yesterday, and I have a hearing today, but I think there's lots of things we're talking about here that are particularly useful, and I support many of these ideas, particularly such as non-game protection in the west, where the game and fish commissions have generally been funded by hunting licenses, so these species that are non-hunting haven't had any resources to deal with them, and so I think that's a great idea.

I'm chairman of the Parks Subcommittee. By the way, we claim a little jurisdiction over this, as you know, over in Energy and in-

tend to exercise that. But I think we need to do something with the States side, certainly. The national parks do not have the total responsibility for recreation, and if we can put parks into a total package to where the State and local parks do more of the recreation and the national parks do more of the maintenance of resources and cultures, why that's where we ought to be, and I think that would be there.

Open space is great. Open space is a little different in Connecticut than it is in Wyoming. I think we have to be a little careful how we do this. You were talking about driving from here to here. Well, drive from Matistse to Byron, Wyoming, and it would be quite different than it is in Rhode Island. So I hope we're careful, as we talk about land acquisition and as we talk about doing open space things, that we recognize the Federal Government should not have the heavy hand.

You're talking about partnerships. I hope they're equal partnerships and not one horse and one dog partnerships, like it often is.

So I guess my point is that I think there's some real good things here, but we need to handle them differently in different parts of the country.

For example, I think increasingly people in the west are beginning to understand that agricultural prosperity has a heck of a lot to do with open space. If ranchers go broke, then those ranches are subdivided into housing. If they can be effectively operated, they are open space. There are a lot of things of that kind.

Mr. Chairman, I'm pleased that you are undertaking this. I simply want to again just say repetitiously that one size does not fit all.

Senator CHAFEE. Well, I think you're absolutely right, and I think that was the theme that was expressed yesterday by the county commissioner and by the mayor of Fort Wayne, and I think you're absolutely right when you call to our attention that the prosperity of the beef industry, or whatever it might be, results in open space being preserved, and if those ranches go broke, pretty soon they are subdivided into—it's hard to call them "lots," but housing anyway.

Senator BAUCUS. Big lots.

Senator CHAFEE. Big lots.

Senator BAUCUS. Ranchettes.

Senator CHAFEE. Ranchettes.

Yes, Sir, Senator Bennett?

Senator BENNETT. Thank you, Mr. Chairman. I apologize. I'm going to have to leave because I made an agreement to preside over the Senate at 10, but I appreciate the opportunity to make a comment before I do go.

People think of Utah as a rural State—Wyoming, Utah, Montana, and so on. We are the second most-urbanized State in the Nation. Of our population, 80 percent resides within a corridor no more than 20 miles wide and no more than 50 miles long.

Senator CHAFEE. What's the most urbanized?

Senator BENNETT. Nevada, I guess.

Senator BAUCUS. Nevada is.

Senator CHAFEE. Is that right?

Senator BENNETT. Yes.

Senator BAUCUS. Yes.

Senator BENNETT. And, ironically, we have only about 15 percent of the State available for private ownership and use. The rest of it is all—the Federal Government owns two-thirds of the State. The State owns a good chunk, the school trust lands, and so on. So we know about open spaces, even though we are heavily urbanized. Within 15 minutes of downtown Salt Lake, you can be in open space virtually any direction you go. Now, if you head for the salt flats, you are in open space you don't want to be in, because it will not sustain any kind of life out there, but, nonetheless, it is open.

So this is not an issue. Growth very much is an issue. We are one of the most rapidly growing States, and we are eating up our available land, so we are very much concerned about this.

I want to share with you the result of a survey of Utah households, over 500,000 questionnaires sent out by a group called "Envision Utah" that has been working on this issue for a couple of years, recognizing that we are going to have to handle an additional two million people, which for us would be doubling our population, within a relatively short period of time, and where are we going to put them.

So this group has been working on this issue and doing some really fascinating things. I won't take the time to describe to you some of their activities. But the results of their questionnaire, as they talked to Utahans about who should be responsible for dealing with this issue, 46 percent said people like you and me—in other words, they want it local. Another 30 percent said State and local government. Only 3 percent liked the idea of the Federal Government being involved in these decisions.

I think that is a very interesting commentary here. We have had previous Federal experience. Superfund was launched with all excitement about how the Federal Government was going to help solve this problem. Some of our most difficult problems in Utah are Superfund sites that have been preserved as Superfund sites, almost as if they were national treasures, for years and years and years. Perhaps the concern about the Federal Government being the primary engine here is based on experience with the Federal Government's inability to solve local problems.

So I compliment you on the hearings and I apologize to our witnesses that I won't be able to hear all of what they have to say. I'll read their testimony carefully. But I would be derelict in my duty to represent my constituents if I didn't point out that they would prefer that the Federal Government become a facilitator for local efforts, rather than the dictator of the way this thing ought to be done.

Senator CHAFEE. Well, thank you very much, Senator. As you know, of course, we're delighted that you've joined this committee, because you can contribute a lot to it, and Superfund has been an issue we have been wrestling with, and I'm sure we're going to deal with it again this year and see if we can't get some success with it. Obviously, the cleanup in the brownfields is a tremendous part of that whole effort.

Now, we are delighted that we're going to have eventually, I believe, three Senators, but certainly we have two here now, and we

welcome both Senator Landrieu and Senator Leahy, so, Senator Landrieu, why don't you proceed?

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

Senator LANDRIEU. Thank you, Mr. Chairman. Let me begin by saying that I have a lengthy statement for the record that I'd like to put in the record, but I'm going to just summarize in my comments and be available to answer any questions that the members will have.

Let me begin, though, by thanking you, Senator, sincerely, for your interest and your work in this area. As several of us began to develop this bill over 2 years ago, I want to say that your counsel, your advice was critical in the development of this initiative, and particularly your good words that were put in the record over a year ago on the floor of the Senate helped us to design and bring this issue to this point today, and so I want to thank you.

I also want to thank publicly Senators Murkowski, Lott, Breaux, Cleland, Johnson, Mikulski, Cochran, Sessions, Bond, Gregg, Bunning, Lincoln, and Bayh for their efforts in working on Senate Bill 25, which has been introduced on this subject. Senator Thomas had to leave, but, as the subcommittee chair of Parks, he and his staff have been very interested and helpful. And I want to thank Senator Murkowski, particularly, as the chairman of Energy, because this, as you have seen from this testimony here from the East Coast to the west coast, it is going to have to be done with the idea in mind that one size doesn't fit all, and that's the way that many of us are trying to design a bill that will work, that will be good for our Nation.

I want to just read, as I begin, one paragraph from the "New York Times" editorial of June 16, 1997, that actually, Mr. Chairman, as I've shared with you, helped me to focus on the significance of this endeavor. It is very brief, but I want to read it for the record.

It says, "More than 30 years ago, Congress passed a quiet little environmental program that offered great promise to future generations of Americans. Conceived under Dwight Eisenhower, proposed by John Kennedy, and signed into law by Lyndon Johnson, the Federal Land and Water Conservation Fund was designed to provide a steady revenue stream to preserve irreplaceable lands of natural beauty and unique recreational value."

Royalties from offshore oil and gas revenues would provide the money, giving the program an interesting symmetry. Dollars raised from one depleting resource would be used to protect another.

"Since its inception, the Fund has helped acquire seven million acres of national and State park land, developed 37,000 recreation projects. Its notable triumphs include the Cape Cod National Seashore, the New Jersey Pinelands National Reserve, and the national park in Minnesota. But the program fell apart."

Mr. Chairman, the bill that I've offered with many of my colleagues and other bills that have been offered is an attempt to put this program back together, to do it now before it is too late, to provide funding for this country that will be a permanent source of

funding, to do something we actually should have done 30 or 40 years ago, but it is never too late to do it right.

That's what this bill attempts to do. It attempts to define and to set aside a permanent source of funding, and we have a good source, and that source is the offshore oil and gas revenues.

Since 1955, the year that I was born, the Federal Government has taken $120 billion in mineral resources, and that money has been put in the Federal Treasury and spent on ongoing operating, nonrelated areas.

Not only has Louisiana been shortchanged, because we have provided 90 percent of these resources, but Texas and Mississippi and Alaska and other producing States have been shortchanged, but, in my opinion, so have all the States been shortchanged, because this money has not been used for environmental investments.

That's what we are here for—to talk about a permanent source of funding that will provide, I hope, $2 billion, at least, maybe more, to fund the Land and Water Conservation Fund fully, to fund coastal impact assistance. Two-thirds of our population live along our coasts. Those States and cities need additional help for beaches, for coastal impact assistance—whether or not there is oil and gas drilling, there are great needs—and to fully fund our wildlife and conservation efforts for game and for non-game sources, as well as our urban parks and historic preservation.

I just want to show you, Mr. Chairman, because I think you and also Senator Boxer and Senator Lieberman would appreciate seeing, in Louisiana this is the largest cypress tree left in North America. Most of the cypress trees were cut down over 100 years ago, as you have similar for the redwoods. This is the largest cypress tree left. Right now, there is a part of land called "Cat Island" that Georgia Pacific owns that could be purchased if there was a steady stream of revenue in the Land and Water Conservation Fund. It is unlevied. It is part of the only part of the Mississippi River left that is unlevied that is a natural sort of cypress swamp.

I could show you 1,000 pictures from every State in the Union about land like this that we need to purchase, and that's why there is some urgency. But we have to do it in a way that recognizes that in Wyoming or Nevada, 90 percent of the land is already owned by the Government. In Louisiana, only 4 percent of the land is owned. And so politically we've got to craft a bill that works for the whole country and recognizes the great differences.

I'll only end my testimony with this. I also want to say as emphatically as I can how fiscally irresponsible I think it is for this Nation to take taxes from a nonrenewable resource, because 1 day our oil and gas wells will be dried up. We hope in Louisiana that's not in the near future, and I know California has a different view. But we want to see this production done in an environmentally safe way.

But I have to say it is fiscally irresponsible for this Nation to take these moneys generated and spend them on nonrelated recurring expenses and not reinvest them back for our children and our grandchildren. And so that is the beauty of this proposal. Just as was outlined by this "New York Times" editorial written by a wonderful environmental writer—and I've talked to him personally and

thanked him for spurring my thinking more clearly on this issue—but we need to do it together.

I thank you, Mr. Chairman. That's what we are all here today to try to do. It is a fiscally responsible thing to take these dollars and make the investment for our future, and I thank you for the chance to testify this morning.

Senator CHAFEE. Well, thank you very much, Senator. I know you have long been interested in this subject, and you and I have had many discussions in connection with it.

Senator Leahy, we welcome you here.

STATEMENT OF HON. PATRICK J. LEAHY, U.S. SENATOR FROM THE STATE OF VERMONT

Senator LEAHY. Thank you, Mr. Chairman. I hope you won't mind if I share with the committee what I told you privately on the floor yesterday, and that is I understand but am sorry to see your decision to retire.

Senator CHAFEE. Aren't you nice. Thank you.

Senator LEAHY. You are among the absolute best that New England has sent to the U.S. Senate.

Senator CHAFEE. Why restrict it to New England?

[Laughter.]

Senator LEAHY. I may need votes from people from the other parts of the country on some other issues coming up.

Senator CHAFEE. Well, thank you very much.

Senator LEAHY. I always assume that New England sends the best to the country, anyway.

Senator CHAFEE. That's a good come-back.

Senator BAUCUS. But not entirely accurate.

[Laughter.]

Senator LEAHY. Mr. Chairman, I think you will find your colleagues agree that you are among the best of the best, and we appreciate having you here.

Last year you and I were fighting a bill on the Senate floor that would have taken away local land use and zoning decisions from local officials and communities, and I think this Congress is starting out on a much better foot, and I think these hearings help that a great deal.

We should redouble our efforts to equip communities with the tools they need to plan growth and promote better central business districts. People around the country demonstrated their support for open space conservation and urban revitalization last fall at polls by approving 124 measures dedicating local and State revenues for these goals around the country.

In Vermont, we have been assembling a workbox of tools to help communities with land use planning, but if you don't have Federal support it is like trying to build a house with toothpicks.

We've all seen the impact of urban sprawl in our States. It sometimes steals unbidden into our midst. It's sort of like kudzu—you don't see it coming at first, but you sure see the result once it hits you.

Sprawl is not incremental development, it is transforming development. It clots our roads, compounds the cost of the infrastructure

we need, takes its toll on the environment, sucks the lifeblood from the very character of our communities, and it costs us all.

Let me talk about two programs that are working right now to help local communities.

Mr. Chairman, last week you and I were joined by 40 other Senators in sending a letter to the Budget Committee to support full funding of allocations to States and communities for the Land and Water Conservation Fund. I hope we can pass legislation to meet the original intent of the fund.

Last year, Governors identified more than 500 projects which could have benefited from a higher level of funding from the Land and Water Conservation Fund.

Another approach that began in Vermont but is now a national program is the farmland protection program. As you know, we are losing farm and forest land across the country at an alarming rate. We had an original pilot program in Vermont known as the "Farms of the Future" program. That effort has supported the decisions of thousands of farmers who have chosen to protect their farms from development and preserve their way of life for generations to come. It has been overwhelmingly successful.

If we funded this this year, it could ensure the protection of prime agricultural and forest land across the country.

I have introduced S. 333 to reauthorize the farmland protection program at $55 million a year. This map of Franklin County, Vermont, shows how well the farmland protection program can work. Those green patches are where we have used the farmland protection. This is some of the best agriculture soil in our State.

Senator CHAFEE. When you say the farmland protection, is that where you buy up the development rights?

Senator LEAHY. That's right.

Senator CHAFEE. Who buys them? The State or the county?

Senator LEAHY. No. It would be the State will buy them up. We don't have a county form of government, as such, in Vermont, but the State and the local communities would do that. We use either farms for the future or farmland protection program for this.

A lot of this would have been just developed and lost. We've got plenty of room to develop for what we need for manufacturing and anything else, but we only have so much very good agricultural soil, and we have to implement policy changes.

I'm going to introduce the Downtown Equity Act of 1999 to help bring Federal buildings or Federal facilities into downtown when that is at all possible. We recently had one again in Vermont which went out into an area that is where people are very concerned about growth, bypassing some areas where downtowns need revitalization. Sometimes downtown areas have difficulty competing in the Federal procurement process because of higher costs, and this may well help them—at least give them a level playing field that would allow Federal agencies to factor in the cost of siting a place, encouraging them to consider downtown.

So these are all areas—Mr. Chairman, I will put my whole statement in the record, but what prompts me to have my concern about this, as a native Vermonter, I saw in 1993 the National Trust for Historic Preservation put our entire State on its list of endangered

places because it was so concerned that we would lose our character by sprawl.

Having grown up in a small city where you had a very active downtown that kept a sense of community, where I delivered newspapers to most of the businesses downtown as a child, I know how much it added to the character of our State—a very good character—and I would hate to see that lost. At least give us the tools so it doesn't have to be lost.

I commend you for having these hearings, and Senator Baucus, who has also been a leader in this area.

Senator CHAFEE. Thank you very much, Senator.

Senator LEAHY. I'm going to have to go to another hearing.

Senator CHAFEE. Fine. We know that other people have apartments. Senator Landrieu, if you have an appointment—if you can stay, we can have some questions perhaps.

Senator Feinstein, you are welcome. Glad you are here.

STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR FROM THE STATE OF CALIFORNIA

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

I want to echo Senator Leahy's compliment to you. I don't want to take it back. As a matter of fact, I only wish you would try the other side of the aisle for the remaining time you have here.

Senator CHAFEE. Put 24 years in there, too?

Senator FEINSTEIN. Yes.

Senator CHAFEE. I don't know.

Senator FEINSTEIN. You will be missed.

Senator CHAFEE. Aren't you nice. Thank you.

Senator FEINSTEIN. And by those of us on the other side of the aisle, as well.

Senator CHAFEE. Thank you very much.

Senator FEINSTEIN. Mr. Chairman, you have three bills before you, and the bill I'm going to speak about, my bill, is probably the most modest of the three.

I want particularly to compliment my friend and colleague, Senator Boxer, for her initiative and for the Permanent Protection for American Resources Act, which she has authored, and I'm very proud to be a cosponsor of that bill.

My bill, if you will, sets a kind of basic menu for handling the Land and Water Conservation Fund. It is termed, "The Public Land and Recreation Investment Act," and it really takes off after some of the basics. These basics are that Congress has historically spent less than it has on the Land and Water Conservation Act, in 1999 appropriating only $328 million. And since the water conservation fund was created, Congress has really spent only $9 billion of the more than $21 billion the Fund has raised.

This underspending——

Senator CHAFEE. How much does it bring in a year? Do you know, Senator?

Senator FEINSTEIN. Beg your pardon?

Senator CHAFEE. How much goes into the Fund a year? Do you know?

Senator FEINSTEIN. Yes, $900 million.

Senator CHAFEE. So $900 million comes into the Fund every year?

Senator FEINSTEIN. That's right.

Senator CHAFEE. From the offshore receipts?

Senator FEINSTEIN. That's right.

Senator CHAFEE. Thank you.

Senator FEINSTEIN. So this underspending has created a huge backlog in Federal acquisition of environmentally sensitive lands. The cost of acquiring in-holdings in national parks, wildlife refuges, national forests, and other public lands totals over $10 billion. In addition, the Federal Government receives $600 million in requests for land and water conservation funding each year.

Now, this Fund also is authorized to fund grants to States for acquisition of park lands and recreation facilities. Historically, about a third of the Land and Water Conservation Fund has gone to States, but State grants have gone unfunded since 1995.

And another important part of this, which I used at least a half a dozen times while I was mayor of San Francisco, that has gone unfunded in recent years is the UPARR program, the Urban Parks and Recreation Recovery program, which was originally authorized at about $150 million a year.

What my bill would do is amend the Land and Water Conservation Fund Act to say that the $900 million collected by the Land and Water Conservation Fund each year would be automatically appropriated to the Land and Water Conservation Fund and the urban parks and recreation recovery program. So that appropriation becomes automatic every year, that $900 million is available. These funds would be used to acquire and preserve natural areas, open space, park land, wildlife habitat, and recreation areas.

This bill would also provide that 40 percent of the funds provided under this act be spent on State grants, so, of the $900 million, 40 percent, $360 million, would be spent on State grants. This would establish a floor. Additionally, it would require that the States pass through 50 percent of the grants they receive directly to local governments.

It would provide that 10 percent of the funds provided under this act be allocated to the urban parks and recreation recovery program, the UPARR program, and it would require the President to submit an annual priority list to Congress for expenditure of funds provided under this act.

The land and water conservation funding will be spent on the President's priorities unless Congress specifies a different order or list of priorities each year.

It would change requirements for the Land and Water Conservation Fund State grants programs, including a new requirement for States to develop State action agendas that identify their top conservation and recreation acquisition needs—in other words, each State must prioritize its needs every 4 years.

And it would provide something that has never happened before, and that is that Indian tribes would be recognized collectively as one State for the purpose of the State grants programs, and thereby these programs would be accessible to Indian tribes.

It would amend the UPARR Act to allow funds to be spent for construction of recreation facilities and acquisition of park land,

and it would make other technical changes to update this act for the 1990's.

So, in essence, what my bill seeks to do is set a floor, a basic menu, if you will, to say that each year—particularly now that we have a surplus—at least $900 million will be appropriated for these purposes. Of that, 40 percent will go to the State. Indian tribes will be one State collectively, and be able to use this money. Of the moneys, 10 percent would go through to the local directly to local governments.

Senator CHAFEE. And "local" meaning cities; is that right?

Senator FEINSTEIN. Excuse me, that's right, to cities.

Senator CHAFEE. All right.

Senator FEINSTEIN. And that States would have to pass through 50 percent of the grants they receive directly.

Senator CHAFEE. Is that 50 percent of the——

Senator FEINSTEIN. State money, of the 40.

Senator CHAFEE.—40?

Senator FEINSTEIN. Of the 40 would go directly through to local governments.

So, in essence, we have tried to sort of very carefully set a menu, if you will, as to how this $900 million would be used each year, but we would use the $900 million.

Last year, Congress only appropriated $328 million. I believe there's $13 million in the so-called "backlog" that has not been appropriated.

I look at this as the most modest of the bills before you, as I say, as a menu of how to proceed. I think it is prudent. I think it is wise. And if the committee doesn't see fit to pass another bill, I think this bill makes a lot of sense.

Senator CHAFEE. Well, thank you very much, Senator.

First of all, I want to congratulate you for all the work you did on that—I guess you call it the "headwaters forest."

Senator FEINSTEIN. Headwaters forest. That's right.

Senator CHAFEE. Boy, that was a terrific job. And does it seem to be—is it over now? Have you won?

Senator FEINSTEIN. It is over. We——

Senator CHAFEE. There seems to be a lot of backing and filling.

Senator FEINSTEIN. It is a done deal, as they would say, Mr. Chairman, and now we've got to make it work.

Senator CHAFEE. Great.

Senator FEINSTEIN. But we have essentially protected for all time the largest stand of historic ancient redwood forest in this country in private ownership.

Senator CHAFEE. Well, isn't that marvelous. All of us congratulate you.

Senator FEINSTEIN. Thank you.

Senator CHAFEE. I know you worked very hard on it, along with Secretary Babbitt and, I guess, the Governor.

Senator FEINSTEIN. The Governor of California.

Senator CHAFEE. Both Governors.

Senator FEINSTEIN. Right. Actually, we had a very good team of State and Federal people trying to pull this thing together. It was very difficult because all of this land is private land and you can't just take it without paying for it.

Senator CHAFEE. Yes.

Senator FEINSTEIN. And so to work out something which made sense for those people that needed the jobs and all of us that wanted to preserve the ancient redwood, was very important.

Senator CHAFEE. Good for you. Well, you should feel very satisfied.

Senator FEINSTEIN. Thanks very much, Mr. Chairman.

Senator CHAFEE. Senator Landrieu, as I understand your bill, it gives the money to States with very broad criteria. I guess there is some concern—I thought you made a very appealing presentation here when you said, "Why shouldn't we use money that comes from a depleting resource to restore other resources?" But I'm not sure that—and perhaps you can help me on this—that your bill would necessarily do that. Some have expressed concern—and I think the environmental community might voice it as we go along here today—that your bill creates drilling incentives. Is that so?

Senator LANDRIEU. Thank you for asking that question, because I'd like to clear up a couple of things and respond to your question.

As you know, this bill has been introduced, different versions of it, many years before, and it met with some resistance for many reasons. Because of that, we have taken out the drilling incentives in this bill so that it becomes a revenue-sharing bill. It is not a pro-drilling bill; neither is it an anti-drilling bill. I have urged my colleagues to consider coming to terms with that, since there are some States that are pro-drilling and others that are not, to come together on a revenue-sharing bill.

We had to come up with a way, Mr. Chairman—I'm glad Senator Feinstein is here to hear this—because I was happy to see that she was able to be crucial to the development of that purchase of the redwoods.

But we need to remember, the money that enabled us to do that came from offshore oil revenues, basically, from Louisiana and Texas. We are producing 90 percent of the money in the Fund. Louisiana is producing 90 percent of the offshore oil and gas revenues, and currently. As you know, interior States, like Wyoming and Montana and Colorado, get to keep 50 percent of mineral revenues. But the coastal States that drill don't get to keep any of their revenues.

So we are urging is this Congress to recognize the contribution that Louisiana and Texas and other States make, allowing in the formula, as we spread this money around the States, to reinvest back for impact assistance.

I just left ports in my State, Mr. Chairman, and I have to tell you that 1,000 trucks a day—I mean, this money just doesn't get into the Treasury by magic. There are hundreds of helicopters, thousands of trucks that transport this industry from onshore to offshore. The helicopters don't come from Honduras or Guatemala, they come from Louisiana and Texas to make this drilling possible. This activity raises the money to purchase the redwoods and Cat Island and the Montana parks and Yellowstone.

Any bill that we develop has to recognize the contribution that the coastal States make, whether they drill or not, and we can add some additional language that will make it clear that that's for impact assistance and environmental investments.

I know that you are sensitive to the fact that this money is produced from oil revenues derived off the coast of Louisiana. It looks like that's the way it is going to be for the next 30 or 40 years, and any bill that is developed should recognize the tremendous contribution of this income to the Fund.

Finally I will say, since it is your State that we used as an example, Louisiana already has lost an area greater than the State of Rhode Island off of our shore, not only from offshore oil and gas development, but the leveeing of the Mississippi River for ports and waterways.

I can plead with the members to understand the impacts of these developments. Any bill that we design should recognize that—not encourage drilling, nor discourage it—but be revenue-neutral.

Senator CHAFEE. Thank you very much.

I notice my time is up.

Senator Baucus, do you have a question of the panel?

Senator BAUCUS. Yes, very briefly.

First, I very much commend both of you for trying to increase the amount of funds that go to these general purposes—land and water conservation purposes and open space and sprawl kinds of purposes. I think now the Congress has appropriated about $200 million, roughly, to Land and Water Conservation Fund. Do you know is that about the right amount?

Senator FEINSTEIN. It's $328 million last year.

Senator BAUCUS. Yes. And both your bills would direct $900 million a year.

Senator LANDRIEU. Well, the authorization is $900 million, but we've never met that.

Senator BAUCUS. Right.

Senator LANDRIEU. I think 1 year in 30 years.

Senator BAUCUS. Right. But both your bills would direct that that would be spent——

Senator FEINSTEIN. Appropriate. That's right.

Senator LANDRIEU. Yes.

Senator BAUCUS.—which I commend. I mean, it is—I firmly believe that that's something that we should to.

The question really is—and I don't think it can be answered here—is the formula, you know, and how we divvy it up and what discretion is given to whom—to States, local communities, and even the Congress, for that matter. And, obviously, any formula has to be fair to all parts of the country.

I don't want to get into all the details here, but I would expect that coastal States do get some offshore revenue.

Senator LANDRIEU. We don't get any.

Senator BAUCUS. With State taxation of some revenue.

Senator LANDRIEU. Because when you're outside of—that's what is so important.

Senator BAUCUS. But let's say not offshore, but inshore.

Senator LANDRIEU. Well, you get inshore, but——

Senator BAUCUS. Or whatever the opposite of offshore is.

Senator LANDRIEU. Yes, but it is important to say you do get some inshore revenues, but, because the Federal Government has passed this deepwater royalty relief, it is moving the drilling far offshore, like 50 miles, way past any State's borders, and so the

States like Texas and Louisiana that are supporting that deepwater, which can be done in more and more environmentally sensitive ways, are not getting any tax revenues, and so that's part of what we're trying to solve with our efforts here, to reinvest back in those coastal communities and also share with other States that don't have drilling, to be fair, that they should be able to make their choice.

I think Senator Glendening is going to represent the views of many of the Governors, republicans and democrats, about that point, and the State's discretion to use some of these moneys, which is important.

Senator BAUCUS. I appreciate that. Again, it's just a question how we divvy it up.

Senator

Senator Feinstein. Senator Baucus, what my bill tries to do is establish that formula, and what it essentially says is 50 percent would be spent on Federal projects, 40 percent would be spent on State projects, 10 percent on local projects.

Senator BAUCUS. Right.

Senator FEINSTEIN. Of the money going to the State, half of it would go down to the locals. So it doesn't make any judgment as to where it should go, but it does establish that formula, and then, finally, it provides that Indian tribes could be seen as a State.

Senator BAUCUS. What guidelines do you provide in your bill?

Senator FEINSTEIN. I beg your pardon?

Senator BAUCUS. What guidelines do you provide? Can a State receive the money and spend it for any purpose, or——

Senator FEINSTEIN. For the normal purposes, I don't think we—well, to acquire and preserve natural areas, open space, park land, wildlife habitat, and recreation areas.

Senator BAUCUS. All right.

Senator FEINSTEIN. Those are the guidelines.

Senator BAUCUS. Thank you. I suppose the Appropriations Committee loves it.

Senator FEINSTEIN. I beg your pardon?

Senator BAUCUS. I suppose the Appropriations Committee loves it?

Senator FEINSTEIN. Well, we'll see.

Senator BAUCUS. Yes. Thank you very much.

Senator FEINSTEIN. Thank you.

Senator BAUCUS. They're both good bills. Thank you.

Senator CHAFEE. There is no question but what your bill is somewhat different here——

Senator FEINSTEIN. Right. Very different.

Senator CHAFEE.—in that, under your—what Senator Landrieu, as I understand it, is saying is that her State is doing a lot of offshore drilling and is producing a lot of revenue for the Federal Government.

Senator LANDRIEU. That's correct.

Senator CHAFEE. At the same time, this is at a cost. Trucks come rumbling down through these—when I was in college, I worked in south Louisiana—I guess I told you that—in a place called "Baratara" on a drilling rig.

Senator LANDRIEU. Yes.

Senator CHAFEE. And I know that down in a place called Lafitte——

Senator LANDRIEU. Port Luchan, yes.

Senator CHAFEE. Way, way down in there in a parish—I forget the name of the parish.

Senator LANDRIEU. Plaquemines Parish and Jefferson.

Senator CHAFEE. In any event, I worked there one summer to get strong. I read an article in——

Senator LANDRIEU. That will do it.

Senator BAUCUS. Did it work?

Senator CHAFEE. I don't know. I survived all right. But it was a tremendous experience. Boy, when you change a bit down, coming out of the hole when you're down there around 5,000 feet and you run that pipe up in 90-foot sections, it is a ballet on the floor of the drilling rig. Everybody has a duty, and it is a—there's one big boss. He's the driller. You snap when he tells you to do something.

In any event, so what you want is money to come in and repair these roads that have been damaged, or you're trying to do something to bring back the sections just out where the Mississippi empties.

Senator LANDRIEU. Yes.

Senator CHAFEE. Well, I don't think, under Senator Feinstein's proposal, money would be coming to the States for those purposes. I think we've got a difference here. Under Senator Feinstein's proposal, I'm not sure—we've got 50 States. How would you divide up the—and I'm all for the $900 million a year, but how would you divide it amongst the States? Maryland is represented here. Is it some need criteria? But once you do that you get a subjective definition and it gets very tricky.

Senator FEINSTEIN. You divide it based on 30 percent equally and the rest on need.

Senator BAUCUS. What does "equal" mean?

Senator CHAFEE. I suppose on population or square miles?

Senator FEINSTEIN. Yes. Of the total amount, 30 percent would be divided equally among the States, whatever that——

Senator CHAFEE. You mean Rhode Island would get as much as California?

Senator FEINSTEIN. Yes, 30 percent of it. Of the $900 million, 30 percent would be divided equally among——

Senator CHAFEE. You divide that by 50?

Senator FEINSTEIN.—all of the States, and the rest would be on the basis of individual proposals by the States.

Senator CHAFEE. I see. All right. Well, this is very interesting. Go ahead.

Senator BAUCUS. I don't quite understand. If 30 percent is divided equally—30 of the 50 percent; is that correct?

Senator FEINSTEIN. That's correct.

Senator CHAFEE. You divide 30 by 50 being the States?

Senator FEINSTEIN. That's correct.

Senator BAUCUS. Thirty of the 50?

Senator FEINSTEIN. That's right.

Senator BAUCUS. Then the remaining 70 of the 50 is divided according to——

Senator FEINSTEIN. Proposal.

Senator BAUCUS. I don't—what does that mean?

Senator FEINSTEIN. Need.

Senator BAUCUS. I'm sorry?

Senator FEINSTEIN. The way it is done now, essentially, Senator.

Senator BAUCUS. Well, now it is done——

Senator FEINSTEIN. The requests come from the White House.

Senator BAUCUS. Right.

Senator FEINSTEIN. The requests come from the Congress.

Senator BAUCUS. Right. But so much is earmarked today by Congress, and I'm just curious who determines need. How is need determined?

Senator FEINSTEIN. The Administration and the Congress would determine the need. There isn't a need necessarily spelled out in the bill. There isn't a needs test spelled out in this bill.

Senator BAUCUS. Well, your staff person may have a little more to add here. She's ready there to assist you.

Senator LANDRIEU. Can I add one thing while——

Senator CHAFEE. Sure.

Senator LANDRIEU. One thing I was thinking, our bill, Senate Bill 25, simply attempts—and the environmentalists here can correct me, but we attempt just to fully fund—and we don't quite get there, but we could, with a little tweaking of this formula—to fully fund the land and water conservation the way it was developed 30 years ago, which is basically half of it goes to the Federal Government, approximately, to spend on land purchases anywhere under the discretion of the Federal Government and the Congress, through a system, and then the other part of it goes to the States, based, I think, on population, and there's a formula on population and land mass, I think, primarily. So our bill doesn't really change that. It might tweak it a little, but in our bill it just fully funds the land and water conservation, because I, frankly, believe the States should have some discretion in the way their park systems are developed, and the Governors and the mayors and the county commissioners, and, in addition, it adds some money to urban parks, is the best way I can explain it, so that some of that money, instead of just going to the States, goes to some urban parks for expansion.

Senator BAUCUS. Thank you.

Senator CHAFEE. Thank you both very much for coming. We appreciate it. These are thoughtful ideas. You've obviously put a lot into it, and I, personally, am very enthusiastic about it.

Thank you.

Governor, won't you please step forward? We're delighted you are here.

We're delighted to have Governor Parris Glendening here of the State of Maryland, and he's right out in the front lines as a Governor. He just went through a big reelection.

Do you have term limits? Can you run again, or is that it?

Governor Glendening. We have term limits. I also have a wonderful lieutenant Governor, Kathleen Kennedy Townsend, so we're confident.

Senator CHAFEE. So you can have, what, two 4-year terms back-to-back?

Governor Glendening. That's correct.

Senator CHAFEE. Suppose you are out for 4 years? Can you come back?

Governor Glendening. No.

Senator CHAFEE. You can't?

Governor Glendening. No.

Senator CHAFEE. Wow.

Governor Glendening. Eight years is enough to leave an impact in there.

Senator CHAFEE. All right. Why don't you go to it, please.

STATEMENT OF HON. PARRIS N. GLENDENING, GOVERNOR, STATE OF MARYLAND

Governor Glendening. Mr. Chairman and members of the committee, let me thank you for the opportunity to discuss the land use issues here today, and, more specifically, Maryland's smart growth anti-sprawl program. We will have a statement submitted, so I'll summarize portions of that.

Senator CHAFEE. Fine.

Governor Glendening. Senator, let me also add my regrets of your decision to retire, but my compliments in terms of what you have done for this country. Your leadership for individuals with disabilities and for health care for poor children, and especially in the environment, has been very significant.

Senator CHAFEE. How nice. Thank you.

Governor Glendening. We will all miss you.

Senator CHAFEE. I appreciate those kind comments.

Governor Glendening. It is a pleasure to be able to speak here for a few minutes about one of my favorite topics. It has all different kinds of names. Some people call it "livability communities," some say "sustainable growth." We in Maryland call it "smart growth." But it is really a national movement toward more sensible land use patterns, which gives us an opportunity, I think, as we go into the new century, to really make a positive change in what our country will look like in the future.

In the last 50 years, Americans have acted as if moving out there somewhere was the same as moving up, and in the process we have taken our natural resources for granted. We've paid too little attention to what has happened on agricultural land, where farms are fragmented by development, or what happens to forests and wildlife that lives in them when they are destroyed by roads or malls.

Across the nation, we've let too many of our great and historic cities and communities collapse, and this has been done, in part, through indifference to urban needs that has fueled a great flight to the suburbs.

As we debate where we are in the suburbs and the central cities, we must remember that we really cannot be a suburb to nothing.

Those of us who have studied the causes of sprawl understand that government policies, even well-meaning policies, too often have caused or perpetuated the very patterns of development that we are now trying to reverse. Two good examples, the interstate highway system, which opened up our entire country, as combined almost exactly in time with the G.I. loan system that permitted veterans to buy homes throughout this country.

What has happened, of course, is that those two policies inadvertently made sprawl development financially viable for both developers and for home buyers. Now these patterns of land use have increased land pollution and have almost negated the introduction of dramatically cleaner cars. They cost taxpayers literally hundreds of billions of dollars for every year to create redundant highway and other infrastructure.

In Maryland—and I know this is true for so many States—we have often followed an unwritten rule that directed State funds to new suburban developments first at the expense of our older communities and neighborhoods. In fact, it has become a hidden form of entitlement. No matter where a developer wants to build, the State pitches in, even if it hurts our established communities.

Let me tell you one quick story. My wife, Francis Ann, is from Cumberland, Maryland, up in the western part of our State. When we were courting a good number of years ago we used to go up there on the weekends and spend with her parents. We would go downtown on Friday night and we'd wander around. The theater would be open. The shops would be there, the coffee lounge and other lounges, and it was a wonderful time just to meet in a small town.

Subsequently, a developer came in and proposed a huge new regional shopping center outside of town up on the side of the mountains. In order to make that financially viable, the State of Maryland put up $14 million to help build that road. Within 2 years, the downtown Cumberland area started to decline dramatically, and when you go there you see, like so many of our smaller towns, a dramatically under-utilized community.

We have started to reverse these trends in Maryland by addressing what we think to be one of the fundamental decisions behind development forces, and that is simply the bottom line, the cost line.

We have decided that if government policies had inadvertently encouraged sprawl by making it cost-effective, then new government policies could encourage investment in existing communities and in smart growth centers by making it more expensive to further sprawl.

People make bottom-line decisions. Homemakers do, builders do, investors do, and therefore I think our goal ought to be to change that bottom line.

We have, in effect, made our $17 billion State budget an incentive fund for smart growth. We've outlined—and I think these have been distributed to you—the details in this report here of exactly how we are doing so.

For development outside of the smart growth areas, we simply say the State will not help out. I'm sorry, but it will not. If you are building out there and if you are tearing up one more farm or forest, then you pay the cost for roads, water, or sewage park and other development costs. But, instead, if you invest in existing communities, then you not only avoid those costs, but you will have access to tax credits, grants, low-interest loans, and other bottom-line impacting incentives.

Let me emphasize, it is not our intention to stop growth. We do not want no growth or slow growth. In fact, we want to continue

economic growth in Maryland. Indeed, our economy is booming. We are now the third-highest family income in the Nation, and our unemployment rate is at a 10-year low. But we simply no longer will approve State funding for capital projects or operating projects that are not in accordance with smart growth program. We will not use tax dollars to subsidize sprawl.

If you think about the statistics, the American farmland trust says that the United States is losing 45.5 acres of green space every hour. In Maryland, if we continue going the way we are now, in the next 25 years we would lose more open space than we did in the first 350 years of our existence.

I'm proud that we have laid this foundation for protection of the green infrastructure with our smart growth. We may be a leader, but so many other States are doing the same things. Republican Governors like Mike Leavitt, for example, of Utah, or Christine Todd Whitman of New Jersey, are leaders in this area. Governor Tom Carper of Delaware, Roy Barnes of Georgia, making major efforts to stop sprawl.

Let me suggest that I and my fellow Governors would appreciate the support of the national government. We believe there are four key areas in which we can work as partners: the continued expansion of effective programs that work; second, to emphasize the location of government facilities; third, to use a sprawl versus reinvestment test for decision; and, fourth, to rethink some of the broader policies that are in place.

If I might, very briefly, when I talk about continuing expanding effective programs, programs like the conservation reserve enhancement program, which provides Maryland with about $200 million over the next 20 years to provide forest buffers along our waterways. I stress, by the way, we're not just asking for money. The legislature approved our program for $140 million for purchase of development rights for 70,000 acres during the course of the next 4 years.

There are a number of new programs being proposed that do the same type of thing. I wanted to praise members of the Clinton Administration, as well as this Congress, for the support of those programs. The Better America Bonds program, for example, which will help us purchase greenspace development rights and restore urban areas; community transportation cost, a $10 billion proposal to relieve congestion and improve air quality—these type of programs do work and we support them very strongly.

The second approach for the Federal Government to adopt, I believe, is a policy that emphasizes location of public facilities, of national government facilities, and smart growth areas. The Federal Government should make it a practice to locate new offices in central business districts, and especially in communities where revitalization efforts are already underway.

Sometimes, relatively simple acts, like keeping a post office or a courthouse downtown, rather than building out in the suburbs, can have a significant impact on the economic viability of a community.

Let me just tell you, when we came in, for example, in the State of Maryland, we pay 50 percent of school construction, the State does. The first priority was set for new schools in new communities to accommodate growth. We've reversed that entirely, and first pri-

ority now says for schools in existing communities. When I came in, 43 percent of the funding for State support for education for school construction went into existing communities. Today, more than 80 percent does.

Likewise, I remember a great debate in the small town of Hagerstown, where the judges had decided to build a new courthouse out on the interstate highway so it would be more convenient for them and they would have more parking. We reversed that decision. That courthouse is now under construction in downtown Hagerstown.

The third step I think that would work is for a simple test on policy decisions. Does this program lead to reinvestment in an established community, or does it contribute to sprawl? That is the law of the land in Maryland now, and we think it would do well nationwide.

Once you begin reviewing policy decisions from that perspective, you will realize how many government actions have a significant impact on sprawl by either protecting or threatening open space, by either reinvesting or disinvesting in established areas.

Smart Growth tests applied to virtually every decision involving allocation of resources in Maryland has revealed a tremendous impact of the hidden cost of sprawl.

And, finally, I believe we must look anew at several broad policies at the Federal level. Certainly, we support national water and air pollution standards, but I think we must go even further, adopting standards, for example, minimum national standards for animal waste runoff.

On the lower eastern shore, which is Delaware, Maryland, and Virginia, the large poultry industry, which is expanding tremendously, plays havoc with our ability to regulate animal waste runoff because of the fact that they can move a few miles and go from one State to another. I believe minimum standards at the national level are required.

I would also suggest——

Senator CHAFEE. That's awful tough to get.

Governor Glendening. I understand that.

Senator CHAFEE. That's a tough one.

Governor Glendening. Senator, I certainly do understand that. We've had our battles just in one State, and I know how difficult that is.

Senator CHAFEE. I mean, the view is that this is a State matter and they don't want the Feds to come in and tell them what to do.

Governor Glendening. Senator, I understand that. If I might just add real quickly—and I know this isn't the committee that is going to take the lead on that issue, but I would also say the nature of agriculture in some areas is changing. These super hog farms, these concentrated poultry farms have a devastating impact on water supply. West Virginia poultry expansion, for example, is now impacting the Potomac River. The hog farms that come up across in North Carolina, for example, have had a significant impact in the development of pfiesteria outbreaks and things of this type. So somewhere or other I do hope we can work together on this, but I appreciate the sensitivity of what you're saying.

I would also add, as a last point, I think we have to look at some existing policies.

On the air pollution policies, for example, under Federal direction we have indicated nonattainment areas. These nonattainment areas are often the very areas where we want investments in jobs—in our State, for example, places like Baltimore. And, because they are nonattainment, we tend to force the development, the growth, and the jobs out to those very areas where we do not want sprawl.

I think we are going to have to, obviously, protect the air quality, but revisit some of these policies.

Let me just note that all across the country people are starting to understand the devastating impact of sprawl. We must make change. It is not going to be easy. Just as an example, in the middle of our State, in a small, rural area, we have designated several years ago a combined public safety training center in a small community called Sykesville. That center, if built, would generate about 140,000 trips per year down small, rural roads. You put 140,000 cars on the small roads, and demand becomes for a 4-lane highway. You put the 4-lane highway, and the demand becomes, "Let's put the shopping centers and development, because, after all, this farm is on a 4-lane highway."

We just canceled that training center, and, in doing so, you would have thought the world ended in terms of the outrage. I have not had one single person ever come up to me and say they want more sprawl, but when you try to make change it is very difficult.

I often make the statement, "Everyone wants to go to heaven, but no one wants to die to get there." And I think that that's the point where we are today. We've got to make some fundamental changes in policy if we are going to stop the sprawl, reinvest in our existing communities, and I believe now, more than ever, the public is attuned to the changes that must be made.

Thank you for the opportunity to be here today.

Senator CHAFEE. Well, Governor, those are very constructive thoughts. You had specifics in there for us, and that's what we're really looking for.

Senator Landrieu, if you'd like to sit up here, we'd love to have you.

Senator LANDRIEU. I have to slip out, but I wanted to say to the Governor that he has been a big help.

Senator CHAFEE. Fine. Thank you.

I know exactly what you're talking about. In my home town, we had a downtown post office, a red brick, splendid building with finials over the windows, and it just looked like a post office ought to look. Well, what did they do? They build a new post office just on the outside of town. You have to drive to it. People from Main Street can't walk there. And it just was exactly what you said—parking determined the thing.

But I'm sure that if they had really put their mind to it, they could have worked out better parking for the existing post office.

As you say, the bottom line seems to drive so many things. You've given tremendous leadership. When I see some of the things

you've done, you must have had some royal battles in your legislature to get these through, didn't you?

Governor Glendening. Senator, we did, but I'm pleased that so many legislators did stand up. The fact that we were withholding the budget probably helped a little bit, but I know they would have done the right thing under any circumstances.

Senator CHAFEE. But the homebuilders must have been distressed, weren't they?

Governor Glendening. Some were and some were not. Many of the homebuilders, through their organizations, were very supportive. Remember, we're not seeking in any way to curtail growth, or even economic growth; we're simply trying to redirect it with higher densities in appropriate areas, with redevelopment, with carefully planned development.

Our economy is booming. In fact, right now, under this program, the homebuilders are having the best year that they've had in well over a decade.

Senator CHAFEE. What is the county—what county is it of yours that I saw is one of the fastest-growing in the Nation?

Governor Glendening. Percentage-wise, in southern Maryland we have several of the rural counties there that are very rapidly growing, and the fastest one was up in Carroll County, the very place we're trying to put some of the brakes on this. I think those are probably the ones that were written up recently.

Senator CHAFEE. Yes.

Senator Baucus?

Senator BAUCUS. Thank you, Mr. Chairman.

I might say, Governor, as you were speaking I was reminded of local efforts in a particular time in Montana, Helena. The local leaders have a breakfast every Thursday morning. They call it "Helena Pride." It has been the catalyst for good growth development and smart growth, as you're talking about. The business leaders, Chamber of Commerce, and some of the government officials, and sometimes a county commissioner is there, but they've got tremendous energy and spirit. There are two or three who just keep focused on proper development of Helena.

I must say, as a consequence, in the last several years they have done a terrific job getting a Federal building correctly located. It was going to go way off in the outskirts, and they're able to now keep it downtown. In addition, another big development coming up to—utilizing some old abandoned space, again downtown. A lot of it is just local. They've just really worked hard, this group. And I know of groups around the country to do that. That opportunity is always there.

Don't you think, too, that, as we seek Federal funds in various ways—you mentioned several Federal programs—a lot of this is really dependent upon perhaps even more dollars raised elsewhere, to the degree that dollars are necessary. It's private sector, State, local, maybe bonds, and so forth.

For example, it is a bit different, but in Montana, again, when we are acquiring space for, say, elk habitat, or a considerable amount of land adjacent to Yellowstone Park, to protect the wildlife in the park, it has been partly land and water conservation funds, but it has been a lot of—Rocky Mountain Elk Foundation fund has

been a major conservancy, and Montana Land Reliance. There's just a lot of different sources of money, and the Federal dollars really is not the lion's share at all in a lot of projects I've seen that are successful.

I wonder if you could just comment on that?

Governor Glendening. Well, first of all, I want to congratulate you in terms of your earlier example. That's exactly what we've got to do is reinvest in existing communities. Of course, this is going out all across the country.

Second, I believe your basic assumption is absolutely correct, and that is if we are going to be successful we need partnerships on this, not only partnerships on Federal, State, and local, but the private sector and the nonprofit sector involved in a big way.

Some of our greatest successes in Maryland have come from exactly those type of partnerships.

I would add two things, however. We can put a series of tools in place to help make those partnerships more successful. We do things in terms of tax credits, other incentives, low-interest loans, and things of that type.

The other part of it, however, is we want to make sure that governmental policy doesn't, on the one hand——

Senator BAUCUS. Right.

Governor Glendening.—say we should stop sprawl, and on the other hand encourage it. And that's about the very locations and all that we're talking about, whether it's a courthouse or whether it is a road, or whatever, that can be so helpful in that area.

Senator BAUCUS. Is there a role here for bonding authority? I know the Administration is proposing this Better America Bonds proposal. Have you used bonding authority in various ways? And is it helpful here? And could you also briefly comment on the Better America Bonds?

Governor Glendening. We have used this in Maryland in terms of using State bonds, significant State bonds. The proposal that we have, that the legislature adopted also 2 years ago, we said, "Not only let's stop the sprawl, but let's buy the development rights," and we created the rural legacy program, in which we are buying about $145 million worth of open space. Most of that is bonded.

It is similar, for example, of what Christine——

Senator CHAFEE. State bonds?

Governor Glendening. State bonds.

Senator CHAFEE. And do they get overwhelming approval?

Governor Glendening. We do not need referendum of State bonds in Maryland.

Senator CHAFEE. I see.

Governor Glendening. The legislature approved them overwhelmingly, similar to what Christine Todd Whitman did in New Jersey, and theirs actually went to referendum, as well, and got approval.

The build Better America Bonds would work tremendously for two reasons. One is in terms of making the capital available, and two, of course, is the interest cost on that. We are very supportive. We want to work with you on that program. It would help us significantly.

And I would emphasize—and this is not only true in Maryland, but for—27 of the Governors in their State of the State messages

2 months ago talked about sprawl and preserving open space as being a major issue facing those States.

We are prepared to put significant money up to help be a partner, not just to stand there for a hand-out, and something like the bond program would help us do exactly that.

Senator BAUCUS. You mentioned people want to go to heaven but don't want to die to get there.

Governor Glendening. Yes.

Senator BAUCUS. What are some of the major points of opposition you've encountered? And could you give us some suggestions as to how to deal with that? To a degree, everybody on this panel is the faithful. We're trying to figure out how to get something accomplished here.

Governor Glendening. Well, the general opposition comes from a concern about are we somehow or other going to erode local planning, local land use, or whatever.

Senator BAUCUS. Right.

Governor Glendening. That's why we took the approach of saying we're not going to put another series of regulations in; we're going to try to give incentives and disincentives in terms of growth patterns. And that's why we were able to pull a majority together for that.

Having said that, when you get to specific application of yes or no on a project, quite candidly, I think it takes some strong leadership willing to take a little bit of heed on it.

Just as one quick example, way down on the lower eastern shore a county was getting ready to rebuild its courthouse, decided to put the courthouse out on the highway, away from the very small town of Snow Hill.

A small group of citizens petitioned that to referendum. County commissioners changed their mind. And in the referendum it was approved that it stays back in the town.

It goes back to the same thing, Senator, that you were talking about in parking. I flew down, in fact, a couple days before the election, before the referendum, and said the State will pick up the additional cost of the parking if the citizens vote to put that in town and pay the cost. I was pleased that it was approved overwhelmingly.

It took a lot of people to stand up and say, "We understand there may be some reasons to move it out there, but you're going to destroy what we're trying to do," and people understood and came together.

Senator BAUCUS. I appreciate that. Thank you.

Senator CHAFEE. Isn't that wonderful? Well, thank you very much. Obviously, Governor, you've taken a strong lead in this. It is interesting, the statistics you gave about in the State of the State messages or addresses of the legislature. What did you say, over half of the States——

Governor Glendening. Twenty-seven. Yes.

Senator CHAFEE. Twenty-seven of the Governors mentioned sprawl and doing something about it, and obviously you are doing a lot about it. These suggestions you gave us are very helpful. Thank you very much.

Governor Glendening. Thank you very much.

Senator CHAFEE. We appreciate your coming.

Now could we have Mr. David Hayes?

Let me just explain here, we're going to get started with Mr. Hayes. There is a vote at 11, but we'll get what time we can. Both of us will have to go over and vote. I hope you can come back, Senator?

Senator BAUCUS. I can't.

Senator CHAFEE. Oh, dear. But we're going to move right along with these remaining witnesses. We've got Mr. Hayes, and then five other witnesses, and everybody will get their chance. I would ask that everybody restrict their testimony to the 5 minutes.

Go to it, Mr. Hayes.

STATEMENT OF DAVID HAYES, COUNSELOR TO THE SECRETARY, U.S. DEPARTMENT OF THE INTERIOR

Mr. HAYES. Thank you, Mr. Chairman.

My name is David Hayes. I'm counselor to Secretary Babbitt of the United States Department of the Interior. I appreciate the chance to testify this morning.

I've prepared a written statement that I would appreciate having put in the record, along with some written statements of other government agencies with an interest in this issue—EPA, HUD, Department of Transportation, and others.

Senator CHAFEE. We will definitely do that.

Mr. HAYES. Thank you, Mr. Chairman.

Let me say at the outset that we very much appreciate the opportunity, as the Administration, to testify on this very important topic of open space, urban sprawl, and the quality of life issues that have been discussed this morning and that confront our Nation today.

We very much applaud the careful and close look that this committee is taking on this issue.

As you know, the Administration has launched two important and complimentary initiatives to address this set of issues. The first is the Lands Legacy Initiative, and the second is the Livability Initiative. I'd just like to offer some highlights about each if I could very briefly.

First, the Lands Legacy Initiative. This is an initiative that would provide tools to protect critical lands across America to help keep our treasures safe, while also helping States and local communities, including tribal governments, to preserve local greenspaces and strengthen protection for coastal areas.

Under this initiative, we hope to work with you to secure a permanent funding stream under the Land and Water Conservation Fund and to use the full authority of the Fund for these purposes.

There are several unique features in the Administration proposal, Mr. Chairman.

First, it continues the tradition that this committee and others have supported of using Federal funds to help protect America's treasures. This is the traditional use, if you will, of the Land and Water Conservation Fund, and the interchange that you had, Senator, with Senator Feinstein on the headwaters provides a prime example of how these funds have been used to set aside America's treasures.

The Administration's proposal would increase the funding aspect of this part of the Land and Water Conservation Fund to over $400 million. And we have targeted a variety of additional acquisitions that, in consultation with the Congress, we believe would be appropriate, including, just by way of example, and certainly not by way of exclusion, 450,000 acres of valuable desert-unique property in the Mojave desert and adjacent to Joshua Tree National Monument; the protection of Civil War battlefields that are much in the news; the addition of inholdings into wildlife refuges in the northeast, in particular; additions to the Everglades, and the buffers that are needed to protect that important ecosystem.

So, working together in the partnership that the Administration has had with the Congress in identifying special projects, we want to continue and enhance that.

Second, though, and probably more pertinent to this morning's discussion is that the Administration's Land Legacy Initiative proposal recommends for the first time in several years substantial funding for State, local, and tribal programs that will help address the issues of open space, community planning, and sprawl from a local perspective.

This is, in essence, a revitalization of the State side of the Land and Water Conservation Fund, which has not been funded in recent years. We are proposing that it should be funded, and that the Feds essentially provide the dollars but not the direction.

It is our hope that, through a variety of grant mechanisms, State and local entities will come forward with good plans for acquiring property that will assist in open space protection, in outdoor recreation, in wildlife habitat, and in coastal wetlands preservation. We have a $150 million program in terms of State land acquisition initiatives, a $50 million program for open space planning grants to provide communities with the wherewithal to make their own decisions as they see fit, $80 million to help local communities acquire property that will help with the preservation of wildlife under the Endangered Species Act, again providing the local communities with the wherewithal to work with the Federal Government and together to complement wildlife habitat resources.

Third, the Lands Legacy proposal that the Administration has put forward has a special emphasis on protecting oceans and coasts, and I want to emphasize that in light of the discussions this morning.

Our sister agency, NOAA, is the lead on this aspect of the Lands Legacy Initiative. We are proposing significant financial support for the protection of marine sanctuaries, and, probably even more pertinent here this morning, significant grants to coastal States to pursue smart growth strategies, again the philosophy being that the Feds are helping with the funding of local enabling initiatives to address the issues of sprawl and growth.

Finally, on the Lands Legacy side, before I move to Livability quickly, the Lands Legacy proposal we have is essentially to enhance our traditional role of acquiring treasures for posterity, with a deep bow to States and communities, assisting them financially and otherwise to address the serious problems that are facing them.

The second major program that the Administration has put forward in this regard is the Livability Initiative that the Vice President announced recently. Livability is a broader concept in which we are trying to address a range of issues, including greenspace, traffic congestion, restoring a sense of community, and enhancing economic competitiveness for our communities.

The principles that are behind the Livability Initiative are that communities know best, and this is responsive to the concerns that have been expressed before, that the Feds don't know best in this regard. We agree. And what we want to do as the Federal Government is essentially help inform and enable local communities where we can.

Examples would include supplying information to local communities to assist in the growth management issues that face them, providing incentives for communities to work together to obtain funding for open space, and to align actions that the Federal Government is taking to make them consonant with local government interests. The examples that have been mentioned this morning of the Federal facilities going into the downtowns as opposed to the suburbs is an excellent one.

Under the Livability Initiative, we have offered a number of programs that honor these principles and would help implement them. Time is too short to go into the details. They're mentioned in my written testimony, as well as the testimony of other agencies.

I will mention one, though, just by way of example, and it emphasizes the point of the Federal Government perhaps providing tools to State and local communities to help make their decisions better, and that is our Department of the Interior's United States Geological Survey's amazing expertise in terms of mapping. They have the ability to provide extensive data collection on water quality, watersheds, land use, etc., and they have put together an urban development program that provides significant information to local developers about growth patterns.

Government Glendening has used this program to his benefit in the State of Maryland, and we would propose to enhance that program to provide internet-ready access to local governments to have the benefit of the mapping and analytical data that the Federal Government has at its disposal through the USGS.

That's just one example of many programs that we are bundling under the Livability agenda.

So I'll close there, Mr. Chairman. We, as the Administration, stand here with ideas, energy, and proposals to work with you to advance the ball on this important set of environmental issues, and we look forward to doing that in the weeks ahead.

Thank you very much.

Senator CHAFEE. Well, thank you very much for that testimony, Mr. Hayes.

I'm a little confused here. As I understand it, what you are planning to do is to have the appropriations from the Land and Water Conservation Act total, as I understood, $900 million a year; is that correct?

Mr. HAYES. That's correct, Senator.

Senator CHAFEE. And then I look at—I'm not sure things add up right. I may have made a mistake here. As I understand, we've got

the lands in legacy. That's $579 million. I'm looking on page—well, it's entitled, "President Clinton's Land Legacy Initiative," of your testimony that was submitted here. Do you know——

Mr. HAYES. Yes.

Senator CHAFEE. Are we on the same page here? It is entitled, "President Clinton's February 1, 1999."

Mr. HAYES. Yes. I've got it.

Senator CHAFEE. OK. Now, if you go down to just the paragraph in front of, "Saving America's National Treasures," you see that the Lands Legacy will be administered by the Department of Interior, $579 million, the Department of Agriculture, $268 million, Department of Commerce, NOAA, $183 million.

Well, that all adds up, if I am adding it correctly, to $1,030,000,000.

Mr. HAYES. Right.

Senator CHAFEE. Now, where would the money for that come from?

Mr. HAYES. Well, I think I can clarify. I hope I can, Senator.

The Lands Legacy Initiative is more than the $900 million Land and Water Conservation Fund, and essentially what we have done is work through the budget process with offsets of other programs to essentially bundle a variety of programs together called "Lands Legacy."

Senator CHAFEE. I see.

Mr. HAYES. The core is that $900 million, but, as you can see from this paragraph, I should say it doesn't really point that out probably as explicitly as would be helpful to the committee.

Senator CHAFEE. Well, I guess my question is this: how much is the Administration asking from the Land and Water Conservation Act? It makes a lot of difference. Obviously, if the Administration is aboard on this thing——

Mr. HAYES. Right.

Senator CHAFEE.—it makes life much easier for us.

Mr. HAYES. We are asking for full mandatory funding of the Land and Water Conservation Fund, which is $900 million.

Senator CHAFEE. Per year?

Mr. HAYES. Yes.

Senator CHAFEE. Well, that's splendid. That's very important. Well, then, it behooves us to get more familiar with each of these. One is the Lands Legacy, and the other I find a little less tangible, the Livability agenda. And I suppose to the local communities the biggest thing they are doing there is this information partnership that you mentioned before, and how the communities can maximize open space and habitat protection.

Senator Bennett, do you have any questions you'd like to ask?

Senator BENNETT. No.

Senator CHAFEE. Well, thank you. You've given us something to chew on here, Mr. Hayes, and we appreciate it, and we're delighted the Administration is so enthusiastic about these things because, as I say, the push from the Administration—now, they've got to stay in there.

Mr. HAYES. They will, Senator. We view this as a very exciting coalescence of interests.

And, if I could, you mentioned the better American bonds, obviously, Senator, as part of the Livability Initiative, as well.

Senator CHAFEE. That's right. OK. Fine. Well, thank you very much for your testimony, Mr. Hayes. We appreciate it.

Mr. HAYES. Thank you, Senator.

Senator CHAFEE. Now, if the next panel could come forward, I'd appreciate it. Mr. Falender from the Appalachian Mountain Club; Mr. Chris Montague from Montana Land Reliance; Mr. Peterson, who has certainly testified here plenty of times before, from the International Association of Fish and Wildlife Agencies; Mr. Roy Kienitz from Surface Transportation; and Ralph Grossi from American Farmland Trust.

As I mentioned before, we will probably be interrupted by a vote, which was scheduled for 11, but I don't know what's happening.

[Bells.]

Senator CHAFEE. There we go. I think it is best if I just zip right over and vote. Are you going to be around?

Senator BENNETT. Yes, I can be around.

Senator CHAFEE. Well, do you want to come and take over, and I'll go over and vote and come right back.

Senator BENNETT. OK.

Senator CHAFEE. Fine. Why don't you go to it and I'll be right back.

Senator BENNETT [assuming the Chair]. All right. Very good.

You'll face a different orientation, the Senator from Utah than the Senator from Rhode Island, but I'll keep quiet.

Go ahead, Mr. Falender.

STATEMENT OF ANDREW FALENDER, EXECUTIVE DIRECTOR, THE APPALACHIAN MOUNTAIN CLUB

Mr. FALENDER. Senator, thank you very much for the opportunity to testify today.

My name is Andrew Falender. I am the executive director of the Appalachian Mountain Club.

The Appalachian Mountain Club is the Nation's oldest conservation and recreation organization. Our 82,000 members live primarily in the area from Maine down to Washington, DC, but you might be interested in knowing the State that has the fastest growth of our membership is your State. This past year we increased from eight members in your State to 14 members in your State. Primarily, though, our members are from Maine to Washington.

Senator BENNETT. The magic of percentage calculations.

Mr. FALENDER. That's right, sir.

We focus on not only protecting, but also enjoying and wisely using the mountains, rivers, and trails of the region in our Nation.

In our view, the work of conserving and caring for special outdoor places absolutely must, as people have said this morning, be a bipartisan partnership. It must engage businesses, nonprofit organizations, and the government at the Federal, the State, and, as you point out, the local levels.

As many of you here know, the Federal commitment over the last number of years has been somewhat shaky. As our chart to my left indicates, if you look at the 10 years between 1987 and 1997,

spending for LWCF during this period of time averaged $230 million against the $900 million authorized.

To put this in context, in 1 year, 1995, one corporation, WalMart, spent $580 million buying former farms and forests for their new stores. So WalMart spent $580 million, our Federal Government averaged $230 million.

Well, let's look to the future, though. You don't need to look too far to see that American people do now understand this urgent need—and I'd like to reinforce that it is an urgent need.

As Senator Lieberman pointed out this morning, this past November voters did vote in referendums. They did vote for open space. Of the 147 referendums, 84 percent did pass. But this won't do the job without Federal assistance.

We must take on a Federal responsibility in three areas. First, there are lands of national significance, whether it is Glacier, Yellowstone, Acadia, Denali.

Then, second, we must assist the States where local resources are not sufficient, and I point out, as examples, the northern forest of New England, the Appalachian highlands, the Mississippi River Basin, the Everglades, the Great Lakes—lands of national significance.

Third, we must provide support for urban areas, where, as we've heard over and over again this morning, sprawl is such a problem.

We are very enthusiastic about the current momentum for a strong Federal role in open space protection, and we urge this committee to adopt a set of principles.

We'd like to see, in each of these proposals, at least $900 million of permanent funding for the Land and Water Conservation Fund.

Second—and to get at your point this morning, Senator—we'd like to see an allocation of 40 percent Federal grants, 40 percent on the traditional State grants, and 20 percent to a competitive State grant process for those projects of national significance. Therefore, 60 percent address the type of survey that you were talking about.

Third, we'd like to see yearly permanent funding for the forest legacy program at $50 million, UPARR and historic preservation at $150 million, and wildlife conservation at $350 million, with the priority in wildlife conservation on land protection.

Fourth, we would like to see no new restrictions on the uses of land and water conservation funds.

And, fifth, legislation should not allow funds to be used for environmentally damaging activities.

Well, let's look at those individual initiatives. And I have this chart that you might try to follow as I talk about three of the proposals.

S. 25, which Senator Landrieu was talking about this morning, makes a significant commitment to open space funding, and we feel she deserves—she and the cosponsors deserve the highest level of congratulations for bringing this forward.

We do have concern that we think that there are incentives in this legislation that would increase oil and gas drilling and, obviously, these must be removed.

I was very interested in Senator Landrieu's comments and very reassured when she said she was interested in working to try to remove any incentives that might be there.

Second, we are concerned that there is a prohibition on LWCF funding except in existing inholdings, and there also is a cap on appropriations for any single project that would exceed $5 million. Both of these we strongly encourage to be removed. And in her legislation we would like to see the $680 million annually taken up to the full funding level of $900 million.

Moving on to S. 446, in summary, I can say this legislation does meet the majority of the principles that I discussed earlier, and we are very supportive of this proposal.

Third, if we look at President Clinton's Land Legacy Initiative, our greatest concern is the 1-year budget approach that has been taken in this proposal, and I was pleased again with Mr. Hayes statement this morning that he sees this evolving into permanent funding, which we see as critical.

We also feel strongly that the President's initiative should fully fund LWCF at $900 million, and, as I've said before, 60 percent should be reserved for State grants through the combined formula and the competitive grant approach that I described.

So, in closing, I would like to thank you very much for the opportunity to testify today and the leadership of this committee in revitalizing our Nation's commitment to open space funding.

We look forward to working with you on this issue in the future.

Senator BENNETT. Thank you.

Let me just ask a clarifying question. It doesn't necessarily go to the issue here, but I have to ask it anyway.

Your comments about drilling incentives, is it fair for me to assume that you are opposed to all oil drilling?

Mr. FALENDER. No, Sir. We feel that we should not have a piece of legislation whose purpose is to provide mitigation for the drilling to have the secondary possibly unintended consequence of motivating States to increase that drilling.

We most certainly are not taking the stand that anything should occur here which would specifically discourage the drilling that is occurring.

Senator BENNETT. But you do take the position there should be no new oil wells drilled?

Mr. FALENDER. On the offshore issue, we feel very strongly that we would not like to see any new legislation motivate increased drilling.

Senator BENNETT. Aside from the legislation, if somebody decides they can drill under the present regulatory circumstance and make a profit so it would be worth their while in doing that, you would be opposed to any—in other words, you would prefer—I don't want to put words in your mouth, but I want to understand where you are. I think what you are telling me is that you would support legislation that would say there would be no new offshore drilling of any kind.

Mr. FALENDER. If we looked at the overall energy situation in this country, our recommendation would be that we would like to see the No. 1 priority be given to finding ways to decrease the use of fossil fuels. Second, for those fossil fuels that are mined or

drilled, we would like to see those taken from the areas that are least sensitive from an ecological perspective, and that would lead us to the conclusion that the offshore wells would not be on the list of areas where we'd like to see that drilling occur.

Senator BENNETT. Of course, you realize what you're saying is increased imports.

Mr. FALENDER. As I said, the priority in our mind——

Senator BENNETT. I'm not trying to argue with you. I just want to know where you are. Basically, you're saying that you would prefer that, unless we can get away from fossil fuels altogether, we satisfy our energy needs with increased imports?

Mr. FALENDER. The possibility of increasing imports most certainly is one of the options that needs to be on the table. We feel very strongly that, whether we're talking about imported oil or domestic oil, it is important to be sensitive to what system is in place to motivate either ecologically sensitive drilling versus drilling in areas that have a higher probability of causing damage. So if there are imports, we most certainly would like to see any effort that would be possible by this Congress or this Administration to discourage those imports coming from offshore drilling.

Senator BENNETT. All right. I won't pursue it.

I'm going to have to go vote. Senator Chafee is obviously not back, so the committee will stand in recess until the chairman returns.

Thank you. I apologize to the others.

[Recess.]

Senator CHAFEE [resuming the Chair]. All right. If we could get started, Mr. Montague, you're on, Montana Land Reliance.

I know if Senator Baucus didn't get the opportunity to greet you, I know he'd like to. He certainly has made favorable comments about your organization. Why don't you go to it.

STATEMENT OF CHRIS MONTAGUE, EASTERN MANAGER, MONTANA LAND RELIANCE

Mr. MONTAGUE. Thank you, Mr. Chairman. My name is Chris Montague. I'm with Montana Land Reliance. We thank the committee for the opportunity to speak on issues related to preserving and protecting our Nation's open space today. Special thanks to Senator Baucus for inviting us.

I hope that the testimony will give the committee additional ideas as it debates how to protect open space in our Nation, and also gives it a western perspective on what is happening in the west.

I'd first like to give the committee a brief introduction to the Montana Land Reliance. We were founded in 1978. We are a privately funded, nonprofit land trust that utilizes donated conservation easements and other tools to permanently protect Montana's private lands.

With the help of 324 land owners, we have been able to protect just over 322,000 acres of private land in Montana. This represents roughly 20 percent of all protected land by local, State, and/or regional land trusts across the United States.

Within that acreage, we have permanently protected 620 miles of stream and water frontage, over 116,000 acres of elk habitat,

over 5,200 acres of wetlands, and over 131,000 acres in the greater Yellowstone ecosystem.

Again, all of this protection has been completed with private conservation easements, and our customer base is typically ranchers and farmers.

The private landowners that make up our customer base are facing incredible economic and estate tax pressures to develop their land. A vast majority are what we call ''land rich but cash poor.'' They typically own a tremendous resource that they cannot afford to keep. Although the following statistics are Montana-specific, everyone is aware these issues and problems are not inherent to our State.

In 1970, Montana had fewer than 700,000 residents. By 1995, the State's population had risen to just over 870,000 and is projected to top one million by the year 2000 or 2001. At first glance, I realize this does not seem to be an overwhelming amount of growth; however, this growth has not been evenly dispersed across the State. Certain areas, especially those around designated wilderness areas and along riparian zones, are undergoing population increases as high as 25 percent.

In other words, people are moving into the prettiest places they can find, and these places are usually the ones that are the most fragile or are our most productive agricultural lands.

The amount of land in agriculture in Montana declined by more than three million acres between 1974 and 1994, and the number of farms and ranches has declined by more than 11 percent in that same time period. In Montana, over the 10-year period between 1983 and 1993, 11,000 subdivision proposals were reviewed by the State by State and county government. These numbers do not include 20-acre or larger parcels which, until 1993, in Montana required no subdivision review, and that type of development, those 20-acre ranchettes, has skyrocketed since then.

Most communities view rural subdivision development as a positive economic influence on their communities. Interestingly, however, a study done by Montana State University and the Greater Yellowstone Coalition found that for every dollar of revenue raised from new rural residential property, the county government and school district spent $1.47 for roads, public education, police and fire protection, and other services. Conversely, agricultural land and open space required only $0.25 worth of service for every $1 it contributes.

Simultaneously, land values in Montana and the west have risen dramatically. Recent news accounts in Montana show 10-year property tax appraisal increases averaging 43 percent. The economic pressures to convert open and agricultural land to residential property has intensified significantly in certain areas of Montana, and, I think it is safe to say, throughout the west.

The good news is that Montana leads the way in private land protection through conservation easements. As of 1997, Montana had permanently protected over 670,000 acres. The bad news is that this represents only about 1 percent of the 55 million acres in private ownership in the State. And the average age of these owners is 59½. Over the estimated 20-year period this amount was protected, well over three million acres left agricultural production

or open space and have either been developed or are headed that way. In the next 10 to 15 years, given the average age of ownership of private lands in Montana, we are going to see a huge turnover in land.

Depending on the tools available to the conservation and land trust community, much of this land will be threatened. Currently, the battle to protect open space in Montana is being lost at a rate of roughly 5 to 1, and in some regions by a margin of 8 to 1.

So what does all this mean? Why should anyone be concerned about a place or region that has so much land and open space? For several reasons, the most important being that Montana, and generally the west, has a unique opportunity to make a difference before it is really too late, before we lose all of our most precious agricultural land, river frontage, fisheries, habitat, and open space. We are not here today to say that development and growth are evil. They are not. We are here today to ask, as you debate these issues, that you give the private land trust community the additional tools to compete and fight against inappropriate development. Give us the added strength to give our farmers, ranchers, and private landowners more options to subdivision as an economic way out.

The initiatives and ideas we present today will, we believe, substantially help in protecting the open lands of our heritage. Should these additional tools be made available, we are confident, based on our work last year, that we could immediately double, and, over the next few years, even triple our conservation output each year.

All of these additional tools could be easily added to the current construct of conservation easement law or 170-H of the tax code. These ideas are simple and private, and, if made quickly, will, we believe, have an immediate positive impact on private land conservation in this country.

First, the majority of our customers cannot use the income tax deduction benefit associated with the donation of a conservation easement. We're fast becoming a tool only the very wealthy can use. We propose a tax credit of between 50,000 and 100,000 if a land owner does not have the means to use the deduction. We would propose that to qualify for this tax credit, 50 percent of the land owners total income be derived from agriculture.

Second, allow the same deductibility for C corporations as for all other forms of business. Currently, a ranch and a C corp structure may only deduct 10 percent of net income, as opposed to 30 percent for all other types of ownership. We feel this tool, alone, would have allowed us to protect an additional 20,000 to 30,000 acres in Montana last year.

Third, the Congress in 1997 wisely increased the unified tax credit, and particularly with conservation easements gave additional State tax relief if a land owner lived within a 25-mile radius of a metropolitan or wilderness area.

This boundary should be larger to not only give us added tools for land farther out from these areas, but to also reward the land owner who is willing to protect his or her land "ahead of the curve."

Any public moneys raised for conservation easements should be matched funds or donations to allow the government's money to go farther and do more conservation. Furthering land conservation is

the right thing to do. We applaud the committee for its role and eventual action. Land owners generally are also interested in doing the right thing. They don't want to lose their land or have it cut into ranchettes. But we need to be able to offer them reasons not to when they are faced with huge economic and estate tax pressures. We need to be able to compete in that atmosphere. We need to be able to compete against rural development.

We have a great opportunity, especially in the west, to make a major impact on land and open space conservation now. I hope we will be given the tools to do so.

Thank you, Mr. Chairman.

Senator CHAFEE. Well, thank you. Thank you very much.

Mr. Max Peterson.

STATEMENT OF MAX PETERSON, EXECUTIVE VICE PRESIDENT, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Mr. PETERSON. Thank you, Mr. Chairman.

I'm testifying today, as you know, on behalf of the International Association of Fish and Wildlife Agencies, which basically represents the 50 State fish and wildlife agencies.

Mr. Chairman, we submitted to you a more lengthy statement that, if you'd make available for the record, I'd be glad to brief my statement.

Senator CHAFEE. Go to it.

Mr. PETERSON. OK. We appreciate your invitation to appear today to talk about open space, community health, and environmental quality, and also, Mr. Chairman, to express our strong support for the bill, S. 25, the Conservation and Reinvestment Act that was discussed earlier by Senator Landrieu.

Mr. Chairman, we believe that S. 25 is the most sweeping and important wildlife funding bill in this half century and will go a long way toward conserving our Nation's fish and wildlife and provide much in demand conservation education and wildlife-associated recreation.

We really appreciate the work of Senator Landrieu, Senator Murkowski, Senator Lott, Senator Breaux, and other cosponsors in bringing this to the table, and also express appreciation to Senator Boxer and others who have introduced S. 446. And we also appreciate President Clinton's Land Legacy, because all of these recognize one central fact—that it is a good idea to use offshore oil, a depleting resource, to invest in conservation. The question is how to do it and what mechanism to use, what formulas to use, and so on.

Mr. Chairman, I would hope that you would use your skills that are well-known in this Congress to help bring these together and pass a bill that, when you and I retire and go to something else, we'll find this as a part of a very important legacy.

As you know, Mr. Chairman, in reflection about your long career, I also have on my wall a Navy reserve promotion that was signed by you when you were Secretary of the Navy.

Senator CHAFEE. I remember it clearly.

[Laughter.]

Mr. PETERSON. I think that was before the time of auto pens, so you might really have signed it.

I think, Mr. Chairman, that you recognize, certainly, and have made an eloquent statement last year about the compelling need to adequately fund fish and wildlife activities at the State level. If we don't do that, we can simply look forward, as years go by, to more and more species becoming threatened and endangered, with all the resulting social, economic, and other consequences.

Mr. Chairman, I would suggest to you that one thing that defines S. 25—it is basically built around non-regulatory, incentive-based programs so we can work with private land owners. Two-thirds of this country is in private ownership. We can work with people on development rights, easements, and on agreements to keep that open space and make it available for wildlife, and to improve the quality of life, but we can't do that without dedicated, reliable funding that comes year after year. Such funding allows groups like Mr. Montague's to get the private sector funds to make this possible. It's simply not either possible or feasible or even desirable to try to acquire all the land. That's not really what is in the public interest, in many cases. We simply want to keep it an open space, productive agriculture, usable by fish and wildlife, usable for open space.

I would submit that community health and environmental quality and habitat for fish and wildlife go hand in hand.

In the area where I live, people come to visit the little town of Leesburg. What many remember is the open space and the wildlife that's associated with it. Just an open space without the benefit of any wildlife there would be a fairly drab kind of an environment.

The States are the frontline managers of fish and wildlife, and you know what has happened since 1937 with the passage of the Plinton-Robertson Act, and later the Dingell-Johnson Act in bringing back all of these game species.

We can do the same thing for the non-game species, but we simply have to have funding to do it. We don't know the habitat requirements of many species right now. You can't design a program for species without understanding their habitat requirements.

So the S. 25 that provides this non-regulatory incentive-based program, plus fully funding the Land and Water Conservation Fund, plus providing impact aid and title one to communities we think is the balanced kind of thing that must be done to be successful.

I want to comment just real quickly on S. 446, because we really appreciate the fact that it does contain provisions for funding of State-based wildlife conservation.

We are concerned about two or three things in the bill, and we've outlined them in our statement. One is costly planning requirements; second is about funding for native fish and wildlife. We really don't know, particularly in the East, what species of fish and wildlife that are native. For example, the peregrine falcon that we are working hard to bring back is not a native species at all. It's a hybrid, as far as we can tell. And when I talk to States up and down the eastern seaboard and I say, "What can you say about which of these species are native," they say, "Well, some 100 years

ago people were bringing in additional species, particularly of fish. We don't know which are native and non-native.''

And we also don't know, if you've got a non-native species present, does that mean you can't do a project that would be beneficial in that ecosystem?

The other things that we think are of great importance, but not addressed in S. 446, is conservation education and wildlife-associated recreation. In my view, Mr. Chairman, in now almost 50 years in the resource business, unless we instill in our young people ideas of conservation of land and open space and so on, everything we do will be for naught.

Senator CHAFEE. Well, I agree with you on that, Max. I appreciate it. Are you about wound up here? We've got to move along.

Mr. PETERSON. I'd just say one other thing. We are also encouraged by the Land Legacy, but we are puzzled, as you were, about how it adds up. For example, the way I added it up, there's only $563 million of that $1.030 billion that is authorized under current Land and Water Conservation Fund law. So the balance of that, if it is going to be done under Land and Water Conservation Fund, requires fundamental amendments of the Land and Water Conservation Fund. We don't know whether that has been brought forward or quite where that stands.

Senator CHAFEE. We'll have to take a look at that one.

Mr. PETERSON. OK. Mr. Chairman, again, thanks for the opportunity to work with you. We hope that we can do so in the remaining Congress to make this come about.

Senator CHAFEE. Thank you very much.

Roy, we welcome you back. Roy Kienitz has been on the staff of this committee for many years. We are glad you are here.

STATEMENT OF ROY KIENITZ, EXECUTIVE DIRECTOR, SURFACE TRANSPORTATION POLICY PROJECT

Mr. KIENITZ. Thank you, Sir.

Senator CHAFEE. And watch the clock——

Mr. KIENITZ. We'll do.

Senator CHAFEE.—because, regrettably, as you know from experience, it is the last people that testify that always get short shrift, so we're trying to make sure that Mr. Grossi has some——

Mr. KIENITZ. I'm very familiar with the clock.

Once again, I'm Roy Kienitz, and I'm from the Surface Transportation Policy Project, and we're a coalition of nonprofit groups around the country, more than 200 of them, working on transportation policy relief for communities.

In the past 2 days, you have heard people echo what a lot of elections and polls have really shown recently, that there's more and more people who look at smart growth, in any one of its many names, as a way to really improve the fiscal health, the environmental quality, and overall quality of life for people and communities all over.

One way to support smarter growth is to do what a lot of States have done, which is focus public infrastructure funding in existing communities. This is certainly the cornerstone of the Maryland smart growth program that Governor Glendening outlined this

morning, but it is also being used around the country in New Jersey and in Oregon.

As you know, Mr. Chairman, we worked on TEA–21 a lot and really supported the infrastructure maintenance funding programs in the Federal transportation law for that particular reason. A lot of Federal money has gone into subsidizing sprawl over time, and many States are now looking at that with their State progress, and we still think there's a role for a Federal program to have a similar kind of emphasis.

I'll talk about our four or five priority areas in a moment, but we just want to reiterate the fact that this is something that is coming up from the bottom. It is a citizen thing, first, and then it becomes a local government thing, and in a few States it is becoming a State government thing, and now finally we are here talking about it in Washington.

There has been a lot of talk recently about how this is the elitist pointy-headed planners trying to tell everybody what to do, and I think that this is one of those cases where that couldn't be more wrong.

We have, I think, five specific recommendations for what we think the Federal Government could do.

First, we really believe that these Better America Bonds are a good idea. It's a low-cost way for the Federal Government, for a tax expenditure cost of only about $700 million, to provide $10 billion in funding to go out to places to do what they want to do. And if we are going to have tax legislation in the Finance Committee this year or next, we think that this is something that is very doable and really responds to people's needs locally, and it addresses both sides of the sprawl equation, preservation of open space at the fringe and reinvestment at the core. So we think that's a highly important program, which falls under the name of the Livability agenda, but this I think is the biggest and most important part of that.

Second, on the question of reinvestment in the core, we think that protection of the Community Reinvestment Act—frankly, something that has not been mentioned this morning—is a tremendously important thing. That's the jurisdiction of the Banking Committee, but may end up on the floor of the Senate at some point, and we would just commend people's attention to that. That has brought a huge amount of capital from the private sector into inner city areas where people make deposits in banks but weren't getting a lot of lending back from them, and we think it is a reasonable approach. There's a ''New York Times'' editorial on that subject from 2 days ago which I'll put in the record, if you don't mind.

Third, another proposal that was in the Administration's Livability agenda which hasn't gotten much attention is something called, ''The America Private Investment Corporation.'' That is a counterpart to what we've had for a long time, the Overseas Private Investment Corporation. A good friend of mine ran that for a while.

That program tries to bring the model of OPIC into American communities of figuring out a way to support businesses and lend them working capital to try to get them off the ground, and we think that would have a big benefit in terms of making existing

core areas in both small towns and large urban areas competitive with suburban development.

Fourth, obviously, we support efforts to revitalize the Land and Water Conservation Fund, provide guaranteed spending of the dollars that are going into that fund, and distribute the resources from it in a balanced way, both to land acquisition for parks and to easements to preserve open space, whether it is farm or ranch land or other lands, historic preservation resources.

Obviously, Senator Boxer's bill on that subject is one that we have supported. Senator Landrieu's bill I think has a lot of merit, also. We get a little nervous about impact aid, because we don't know what that is going to go for. The bill speaks about spending the money for infrastructure. The purpose of this program was always envisioned as environmental remediation for drilling, and so we want to make sure that it stays on that.

Finally, there is a program in TEA–21, Mr. Chairman, that you helped support and that Senator Wyden was instrumental in creating, which is part of the Livability agenda, to increase the transportation and community pilot program from $25 million a year to $50 million, and we certainly support that.

There are some other transportation-related proposals in there, like increasing funding for air quality projects in TEA–21. We understand that has some formula implications, and, therefore, is a difficult thing to do, but we think that at least the proposal is a good one.

And, finally, transportation is just a big piece of this equation, and transportation really, in terms of sprawl and the disinvestment of central cities and using open space has been part of the problem for a long time, but increasingly it is being part of the solution, whether that is transit-oriented development in Oakland, California, or bus pass and greenway systems in Chattanooga, Tennessee, or even the types of projects that people in Salt Lake City are putting forward now—transit investments and the work of Envision Utah.

We view that as exactly the model. Go to people locally, ask them what they want, and then let the Federal Government help out as a partner.

Thank you.

Senator CHAFEE. Thank you very much, Roy. I think that's very helpful.

Mr. Grossi?

STATEMENT OF RALPH GROSSI, PRESIDENT, AMERICAN FARMLAND TRUST

Mr. GROSSI. Thank you, Mr. Chairman.

My name is Ralph Grossi. I am president of the American Farmland Trust. I am the managing partner of a family farm that has been in the dairy, cattle, and grain business in northern California for over 100 years.

Senator CHAFEE. How many milkers have you got? Do you know?

Mr. GROSSI. Three hundred.

Senator CHAFEE. Boy.

Mr. GROSSI. That's a small dairy in California, as you probably know.

Senator CHAFEE. Well, that's milkers. How many totally have you got?

Mr. GROSSI. About 700 head.

Senator CHAFEE. Yes.

Mr. GROSSI. Anyhow, American Farmland Trust, as you know, is a national organization with about 34,000 members who are working to stop——

Senator CHAFEE. I'm a member.

Mr. GROSSI. Pardon?

Senator CHAFEE. I'm a member.

Mr. GROSSI. I know you are. That's why I said, "As you know." I appreciate your support over the years.

Senator CHAFEE. Thank you.

Mr. GROSSI. While we are strong advocates of local land use decisionmaking, we believe there is a vital role for the Federal Government to assist local communities that are struggling to protect their natural resources while accommodating growth, and I think that is an important component of this whole discussion.

As Roy indicated, this really is a local issue, but there is a huge role for the Federal Government. It simply makes sense for America to protect its best land, because it is the land that provides the Nation's food and fiber, but also much of our scenic open space, wildlife habitat, and much more.

But it isn't only the farmland being paved over that should be a concern, because for every acre developed, two or three more acres have new suburban neighbors who don't understand the problems and the noise and the dust of normal farming operations, creating more tension between agriculture and the rest of our society.

Mr. Chairman, there are three essential steps that I want to talk about today in creating smart growth strategies.

First, this has to be addressed at the local level. Communities must envision their futures and plan comprehensively to make that vision a reality. Good strategic frameworks that provide the assistance for communities to do that are in order. Too often, while local leaders work to bring new business to a community, they overlook the fact that agriculture is a true wealth generator, an industry that brings value to the community from renewable natural resources.

A recent surge in local and State efforts to protect farmland suggests rapidly rising concern over its loss. In recent years, Governors Engler, Voinovich, Ridge, Pataki, Wilson, Whitman, Cooper, Glendening, and Carper, and many others have supported or initiated farmland protection initiatives to address this problem.

Governor Glendening talked this morning of his smart growth initiative. You should know that a key component of that smart growth initiative is a program called "rural legacy," which seeks to compensate land owners who will not be allowed to subdivide their property but will keep their land in agriculture forever. That's an important part of the political dynamic of smart growth, as well.

But let's not get caught up in the numbers. Yes, we are losing about a million acres of farmland a year in the United States. Nearly a half of that is prime and unique farmland. We pave over about a billion tons of topsoil annually in this country.

But let's not get caught up in those numbers. The fact is that every year we do continue to squander some of the Nation's most valuable farmland and natural resources. The reality is that we don't know whether the new technologies that promise to replace that land will ever fulfill those promises. But we do know that those technologies will be better applied on highly productive land than on marginal land farther out on the fringes that require higher levels of energy, fertilizer, farm chemicals, and labor per unit of input.

Simply put, it is in the Nation's best interest to keep the best land for farming as an insurance policy against the challenge of feeding an expanded population in the 21st century. The responsibility falls on the communities, large and small, all across the Nation, which you can assist.

The second essential step I want to point out in creating smart growth strategies is the elimination of subsidies that support sprawling development over our best farmland and natural resources. Public policy should not favor untrammeled consumption of land, nor should they drive development out of America's cities.

We subsidize sprawl in this country, and the bottom line on that second recommendation is that someone—hopefully this committee and others—will take a hard look at the policies that are now promoting sprawl. Too often, the taxpayer pays twice. First, we subsidize a certain kind of land use behavior, creating a problem, such as plowing out of the plains, the sodbusting of the plains, or transportation corridors that intrude into agricultural areas. Then we come back with another program to try and solve the problem—the conservation reserve program or the transportation enhancements program.

Once subsidizing the development and then——

Senator CHAFEE. We've got to watch this clock here. Regrettably, I do have another appointment.

Mr. GROSSI. Let me just wrap up then.

Senator CHAFEE. Good.

Mr. GROSSI. The third point is the most important point.

We believe that it is long past time to take a look at the role of private landowners in this mechanism. We have to find ways to support the things that they do. Our private landowners, Mr. Chairman, are providing many amenities to our communities that are important to smart growth—the open spaces, the corridors, the buffer areas around our Civil War battlefields and parks, these are all real values, real products produced by farmers, and we have to find a way to reward that kind of behavior and compensate those that are willing to make permanent commitments to protecting those important corridors.

For that reason, we are supporting the Resources 2000 Act, and Senate Bill 333, of which you are a cosponsor. We appreciate that.

Let me just wrap it up. We think that any successful policies that emerge at the Federal level should have three things in common.

One, they should be consistent in the implementation of programs that influence local planning efforts. In other words, don't send mixed signals.

Second, be willing to eliminate counterproductive subsidies that are making the job more difficult for our communities.

And, third, increase the incentives to private land stewardship. Thank you.

Senator CHAFEE. Well, thank you very much.

Each of you have given specific suggestions, which are very helpful to us here.

Mr. Montague, you talked about the provision we did last year—I guess it was last year—dealing with those who put their land into—put easements on their land and then we give them some assistance in the estate tax.

Mr. MONTAGUE. Correct.

Senator CHAFEE. That, as you noted—I think they have to be within X miles of a——

Mr. MONTAGUE. Twenty-five miles.

Senator CHAFEE.—metropolitan area. I was the one who principally worked on that legislation, with the Piedmont Environmental Association, and we worked—in that situation it seemed wise to have the metropolitan area in there. I don't know whether that is an inhibition for other places. For example, from your State, I suppose there must be areas that don't qualify.

Now, we have the wilderness provision in there, but would you like to see that thing changed, or eliminated, perhaps?

Mr. MONTAGUE. I would like to see the boundary expanded, or we'd like to see the boundary expanded out. We feel that it is a tool that, if somebody is outside of that 25-mile boundary, it is tool that we can't use to do conservation easements and protect that ground.

Senator CHAFEE. Yes.

Mr. MONTAGUE. Right now Montana—pretty much all of western Montana is covered under the 25-mile radius of wilderness area/metropolitan area. Eastern Montana is completely out.

Senator CHAFEE. Because they're too far away?

Mr. MONTAGUE. That's right. We only have three counties that qualify as metropolitan areas.

Senator CHAFEE. Well, this is very helpful. Every one of you have done a good job here. We're going to look these things over. And none of these things are going to happen overnight, as you know. And I think you've all paid attention to one of the key elements, which is the request—Senator Bennett so aptly phrased it—in paying attention to the locals. We can't have, as you mentioned, the Feds come in and do everything, and we've got to give a lot of latitude.

But there's no question but what this subject is becoming far more important and discussed, and I think Roy or somebody said it is a bottoms-up proposal. It certainly is. In my State now they've formed—they held a meeting on grow smart and they had 700 people that showed up, which is a big crowd for us. That's a good turnout—bigger than I've ever seen at a republican rally out there.

[Laughter.]

Senator CHAFEE. Anyway, Senator Bennett, could you wind up things?

Senator BENNETT. Yes, and I just have a quick——

Senator CHAFEE. Because, regrettably, I have to leave. Thank you all very much.

Senator BENNETT [assuming the Chair]. I just want to comment. I'm fascinated and heartened by this conversation. In my State, the environmental groups will not attend a meeting if there is a farmer present. If the Farm Bureau is there, SUWA won't come. The war between the environmental groups and agriculture has been waging probably for a generation, and has reached that point of bitterness.

Now, most of the members of the Southern Utah Wilderness Alliance do not live in Utah. Many of them have never been to Utah. But, nonetheless, they feel so strongly about these issues that we have this kind of experience. Some of the people in rural Utah, farmers, said they came back here to talk to a Senator, who shall remain nameless, who was a cosponsor of the Utah Wilderness Act, who is not from Utah, and when they tried to talk they were told by the staffer—the Senator, himself, did not meet with them—"You people shouldn't be on the land at all. You have no right. This land belongs to all of the people of the United States, and you come here and complain about the way we are treating you. You shouldn't even be there. You are despoiling the land by living there."

I quote to them an experience that I had when I was running for the Senate, where I was in a small, rural Utah town, came out of the restaurant where we were having dinner, and I was down there looking for political support. I'm a city slicker. I was not raised on a farm. I didn't know anything about this. And the woman that I had been talking to said, "Bob, look around." I didn't have the slightest idea what she had in mind. So I dutifully looked around. What did you see? Well, I didn't see anything.

She said, "It's pristine, isn't it?" I said, "Yes, the land is gorgeous and it is pristine." And she said, "My family and I have been making our living off this land for five generations. Tell us we don't love the land. Tell us we have to get off to allow somebody else to come in and, in the name of open space, get rid of us."

So, Mr. Grossi, I am delighted to have you here. I am delighted to have a real, live farmer here. And I'm delighted to see farmers and environmentalists sitting at the same table and actually talking to each other instead of each turning the other way lest they be contaminated by the contact.

If this effort can get rural people and those that feel strongly about environmental issues to sit down at the same table and talk to each other, instead of take out ads in the "New York Times" and scream at each other—which has been the pattern in my State—it will be a very useful thing.

You wanted to comment?

Mr. GROSSI. Senator, let me, if I may, comment on it. I think that hopefully the examples you've given will be fewer as we move forward. I think we can draw some energy from the fact that in your neighboring State of Colorado there are very good things happening between, for example, the Colorado Cattleman's Association and the environmental groups. They've formed their own land trust and are working with groups to take easements. The same thing is happening in California, and now the Michigan Farm Bureau is now working with environmental groups and urban mayors to work partnerships. So there are some positive things evolving.

Could I suggest that I think we have to start thinking differently about these issues, because those of us in agriculture are not against preserving the environment or preserving endangered species. It's not a question of what society wants to do, it is how is it going to get done. Who is going to pay the price?

In our organization, it is a pretty simple principle. It is that those who benefit should share in the cost, so that we don't heap all of the cost of achieving an environmental goal on the individual landowner, which, of course, is what regulatory mechanisms do.

We have to have a balance, and when you have a balance everyone comes to the table. It's the way Governor Glendening got everyone to the table, by having his purchase of development rights program with his smart growth program so that it appeared—and I think there is—some fairness in the process to both sides. I hope that's where we go with these discussions, is start talking about fairness. Who pays to achieve community goals on private land?

Senator BENNETT. I would hope the same thing. The attitude that we're getting in Utah is they say, "Get those people off the land, build a fence around it, and let it go back to its natural state." I keep pointing out there's no such thing as a natural state. Nature changes the land continually, whether it is earthquakes or flood or droughts or whatever. There is no "natural state" for the land.

In my State, I can show you examples where, if the cattlemen go off, drought comes back, and it goes back to being a desert.

Now, maybe you say it's better off being a desert, but when it was a desert it didn't support any wildlife, it didn't support any economic activity. It was dry and arid and dead. And now the areas where they're doing wise management with the cattle, the wildlife has come back, water has come out. There's greater watershed coming out of the area than there ever was before. But there are some who say, "No, that isn't its natural state because there are human beings on it."

Yes?

Mr. FALENDER. I just wanted to exemplify your point, Senator, and say that not only am I pleased to be at the same table with Mr. Grossi at the end, but we even are friends and find ourselves serving on similar organizations. So we hope that the model in the northeast, which I feel is very definitely one of collaboration, can most certainly move forward in what we're talking about here this morning. It's your very point that if we all work together and appreciate where each other is coming from, I think we can really accomplish so much together.

Senator BENNETT. One of the differences is the land in the northeast is privately owned, and in the State of Utah that's not the case.

Mr. FALENDER. As you probably know, the challenges of working together on private land can be significant, too.

Senator BENNETT. Yes. Well, unless anyone else has a final statement you want to make——

Mr. PETERSON. Mr. Chairman, I would commend to you S. 25, the Title III, which deals with wildlife, which is based entirely on a nonregulatory, incentive-based program of working with land owners. I think you know that we are original sponsors of the

"Seeking Common Ground" initiative between livestock interests and wildlife interests in the West. That initiative has done some great things to reduce polarization, and so on, where it has been given a try. But S. 25 is not based on primary Federal land acquisition; it is based on keeping people on the land, having them manage it well so there will be wildlife there.

So we would commend to you looking at S. 25, which the counterpart in the House was endorsed by the Farm Bureau in testimony recently.

Senator BENNETT. I am glad to hear that, and I will look at it.

Thank you all for your testimony. The committee is adjourned.

[Whereupon, at 12:08 p.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Additional statements submitted for the record follow:]

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

Mr. Chairman, thank you for inviting me here today to discuss the Conservation and Reinvestment Act of 1999. It is with a sense of pride and great enthusiasm that I am before the distinguished members on the Environment and Public Works Committee to present what may well be the most significant conservation effort of the century. Working with my colleagues in the Energy Committee, as well as other members for over a year, we have put together a compelling and balanced bipartisan piece of legislation. I am pleased to be joined on this measure by my colleagues, Senators Murkowski, Lott, Breaux, Cleland Johnson, Mikulski, Cochran, Sessions, Bond, Gregg, gunning, Lincoln and Bayh.

The Conservation and Reinvestment Act of 1999 will provide impact assistance to coastal States, aid to State parks and conservation initiatives as well as aid to wildlife. Currently, nearly 100 percent of the funds that the Federal Government receives annually from Outer Continental Shelf (OCS) oil and gas development goes to the Federal treasury. The treatment of these revenues is different from the treatment of the revenues from Federal oil and gas development onshore. Under the Mineral Funds Leasing Act, 50 percent of the revenues from Federal oil and gas development onshore is distributed annually to the "host" State in an effort to mitigate the impacts associated with oil and gas development. A glaring discrepancy exists for coastal States that have adjacent Federal offshore oil and gas activity.

The time has come to take the proceeds from this nonrenewable resource for the purpose of reinvesting a portion of these revenues in the conservation and enhancement of our renewable resources. To continue to do otherwise, as we have over the last 50 years, is fiscally irresponsible. In this bill, my cosponsors and I propose to take 50 percent of these revenues, as we do in onshore areas, for the purpose of making wise investments in our environment. The Conservation and Reinvestment Act of 1999 proposes three distinct reinvestment programs.

Title I dedicates 27 percent of the annual Federal oil and gas revenues to coastal impact assistance. The coastal impact assistance program contained in Title I is different from any previous plan considered by Congress and is based on the October, 1997 recommendations of the OCS Advisory Committee to the Department of the Interior.

Title I provides coastal impact assistance to all coastal States and territories, not just those States that host Federal OCS oil and gas development. The funding goes directly to States and local governments for improvements in air and water quality, fish and wildlife habitat, wetlands, or other coast resources. These revenues to coastal States will help offset a range of costs unique to maintaining a coastal zone for specific enumerated uses. The formula for allocating this revenue is based on population, miles of coastline and proximity to production. A portion of the State's allocation is paid directly to coastal counties, parishes and boroughs. These coastal impact assistance funds can be used for environmental mitigation and infrastructure services associated with offshore activity, as well as for coastal environmental purposes by States that do not produce oil and gas. While there has been some discussion about the intent of using this formula, I would like to take this opportunity to assure all the members of this committee that this legislation is neither pro-drilling nor anti-drilling. This is a revenue sharing bill—uniquely. I recognize, however, the concerns raised by my colleagues and interested parties regarding the proximity formula, and I would like to work with them on that point.

Title II provides a permanent stream of revenue for the State and Federal sides of the Land and Water Conservation Fund, as well as for the Urban Parks and Recreation Recovery Program. Under the bill, funding to the LWCF becomes automatic at 16 percent of annual revenues. Receiving just under half this amount, the State side of LWCF will provide funds to State and local governments for land acquisition, urban conservation and recreation projects—all under the discretion of State and local authorities. The Urban Parks and Recreation program would enable cities and towns to focus on the needs of its populations within our more densely inhabited areas with fewer greenspaces, playgrounds and soccer fields for our youth. Stable funding, not subject to appropriations, will provide greater revenue certainty to State and local planning authorities. A stable baseline will be established for Federal land acquisition through the LWCF at a higher level than the historical average over the past decade. Federal LWCF, which is the one Federal program explicitly designed to help States and communities preserve open space, will receive just under half of the amount in this title of the bill. And, nothing in this bill will preclude additional Federal LWCF funds to be sought through the annual appropriations process. LWCF dollars will be used for land acquisition in areas which have been and will be authorized by Congress. Property will be acquired on a willing seller basis. The bill will restore Congressional intent with respect to the LWCF, the goal of which is to share a significant portion of revenues from offshore development with the States to provide for protection and public use of the natural environment. While there have been some provisions added to the bill that elicit varying responses from members and groups,

I firmly believe that a compromise exists on the Land and Water Conservation Fund that will garner broad support.

Finally, the wildlife conservation and restoration provision in Title III of this bill guarantees funding of 7 percent of annual OCS revenues for wildlife conservation initiatives, through the Pittman-Robertson Act. This program enjoys a great deal of support and would be enhanced without imposing new taxes.

These funds will be allocated to all States for wildlife conservation for non-game and game species, with a principle benefit realized through the prevention of species from becoming endangered or threatened under the Endangered Species Act. I look forward to working with the Chairman and other members of this committee to make this program happen.

I believe that this measure will be a major step forward in the nation's effort to conserve and enhance our coastal areas as well as other special areas that will be important to future generations, as well as for irreplaceable wildlife resources. I also wanted to take this opportunity to commend the efforts of Senators Boxer and Feinstein who have introduced similar measures which address some of the same issues as those highlighted in the Conservation and Reinvestment Act of 1999.

Thank you, Mr. Chairman.

[From the New York Times, June 16, 1997]

REVIVE THE CONSERVATION FUND

More than 30 years ago, Congress passed a quiet little environmental program that offered great promise to future generations of Americans. Conceived under Dwight Eisenhower, proposed by John F. Kennedy and signed into law by Lyndon Johnson, the Federal Land and Water Conservation Fund was designed to provide a steady revenue stream to preserve "irreplaceable lands of natural beauty and unique recreational value." Royalties from offshore oil and gas leases would provide the money, giving the program an interesting symmetry. Dollars raised from depleting one natural resource would be used to protect another.

Since its inception, the fund has helped acquire seven million acres of national and state parkland and develop 37,000 recreation projects. Its notable triumphs include the Cape Cod National Seashore, the New Jersey Pinelands National Reserve and Voyageurs National Park in Minnesota. But the program fell apart during the Reagan Administration and has yet to recover. Of the $900 million that has flowed to the fund from oil and gas royalties each year since 1980, Congress has seen fit to appropriate only a third, and in some years far less. The rest has simply disappeared into the Treasury, allocated for deficit reduction.

The biggest losers have been the States. Over time, appropriations have been split about evenly between Federal and State conservation projects. But for 2 years running, not a dime has gone to the States—again for budgetary reasons. This has been hard on New York, which needs Federal help to buy up valuable open space threatened by development in the Adirondacks and elsewhere.

Now, quite suddenly, this legislative stepchild has acquired a bunch of new friends. As part of the recent budget deal, Republican leaders agreed to add $700 million to the $166 million that President Clinton had requested for the new fiscal year. The Republicans had been getting heat from Governors back home and saw a chance to polish their environmental image. For his part, Mr. Clinton needed about $315 million, to complete two important Federal purchases, both strongly supported by this page—$65 million to deliver on his pledge to buy the New World Mine on the edge of Yellowstone National Park, the rest to acquire the Headwaters Redwood Grove in California from a private lumber company.

That would still leave several hundred million dollars for other Federal projects and for the States—but only if the House and Senate appropriations committees honor the outlines of the budget deal and commit a sizable share of the money to State projects. State officials have been descending upon Washington in recent days to plead their case. Gov. George Pataki has written every Member of Congress and, last week, the New York State Parks Commissioner, Bernadette Castro, testified at hearings convened by Senator Frank Murkowski of Alaska.

We trust that Mr. Murkowski and others, in Congress will pay attention. The States have been starved of their fair share for far too long. At the same time, however, the legitimate needs of the states should no be used as an excuse to deny Mr. Clinton the funds he needs to carry out important Federal projects. Mr. Murkowski, an Alaska Republican, who has long been at odds with the environmental community over issues like the Tongass National Forest and the Arctic National Wildlife Refuge, is typical of many Western politicians who believe that the Federal estate is already large enough. He is particularly disturbed by the notion that Federal funds will be used to consummate the Yellowstone and Headwaters agreements, which be described last month as Federal "land grabs."

Here is a question for Mr. Murkowski. If The Yellowstone mine site and the Headwaters redwoods do not fit the description of "irreplaceable lands of natural beauty" envisioned by Congress when it established the Land and Water Conservation Fund, what does? We applaud Mr. Murkowski's promise to do what he can to restore the fund to full funding and thus recapture its original promise. But he and his colleagues should be open-minded enough to let those funds flow to those projects, State or Federal, that are most urgently in need.

STATEMENT OF HON. PATRICK LEAHY, U.S. SENATOR FROM THE STATE OF VERMONT

Thank you, Mr. Chairman, for this opportunity to share ideas with the committee at this timely and valuable hearing. Last year, you and I were fighting a bill on the Senate floor that would have taken away local land use and zoning decisionmaking from local officials and communities.

This Congress is starting out on a much better foot. I commend you for convening these hearings to talk about the loss of open space and the toll that takes in our cities and towns and on the environment. Congress should redouble its efforts to equip communities with the tools they need to plan growth and promote central business districts.

People across the country demonstrated their support for open space conservation and urban revitalization last fall at polls by approving 124 ballot measures dedicating local and State revenues for these goals.

In Vermont, we have been assembling a workbox of tools to help communities with land use planning. But without Federal support, these efforts are like building a house with toothpicks.

We have all seen the impact of urban sprawl in our States, whether it takes the form of large multi-tract housing development spread or unbounded retail strips jammed with national superstores and super-sized parking lots.

Sprawl often steals unbidden into our midst, and it quickly wears out its welcome, much the same way our friends in the South have come to regard kudzu. Sprawl is not incremental development; it is transforming development. It clots our roads, compounds the costs of the infrastructure we need, takes its toll on our environment, and sucks the lifeblood from the very character of our communities. In one way or another, sprawl costs us all.

I would like to highlight two programs in particular that are working—right now—to help local communities through voluntary conservation efforts that deserve our continued support.

In Vermont, we have lived through several situations where Federal agencies have chosen sites outside of downtown areas to locate new buildings. In one case, the Federal agency selected a lot within an area that already is coping with some

of the most difficult problems associated with sprawl and high population growth in our State.

Unfortunately, this scenario plays out far too often. Downtown areas have difficulty competing in the Federal procurement process because of the higher costs associated with downtown areas.

Consequently, the sites outside of downtown areas win contracts, and slowly but surely we contribute to the sprawl cycle and squander one of our most precious resources—open space—and the environmental benefits that go with it.

The "Downtown Equity Act of 1999" offers States another tool to combat sprawl by implementing a new system of evaluating bids that places downtown areas on an even footing with surrounding areas.

The new system would direct Federal agencies to produce procurement guidelines that offer a level playing field for central business districts. My bill would also allow Federal agencies to factor into their cost accounting the benefits of locating new facilities in city centers, such as maintaining historic development patterns and invigorating our downtown areas.

Conserving open space and revitalizing downtowns are two complementary approaches to curbing sprawl. Our communities themselves will decide which, if any, of the approaches they want to take, as they consider what they want to look like in 10 or 20 years.

Again, I want to thank you Mr. Chairman for convening this hearing today. The problems of sprawl has been brewing for far too long, striking at the core of what makes Vermont unique in the hearts and minds of Vermonters and of our many visitors.

In 1993, the National Trust for Historic Preservation put the entire State on its list of endangered places, hoping to preserve some of the character that makes Vermont a special place.

The decisions to prevent or limit sprawl will always be made locally. But the Federal Government can do much to help our communities act on their decisions. And the Federal Government must stop being an unwitting accomplice to sprawl.

STATEMENT OF HON. DIANNE FEINSTEIN, U.S. SENATOR FROM THE STATE OF CALIFORNIA

Mr. Chairman and members of the committee, thank you very much for this opportunity to testify today regarding the need to preserve America's shrinking open space and the Public Land and Recreation Investment Act, which I introduced earlier this month. It is tremendously heartening to see a growing bi-partisan consensus view that America's open spaces, wildlife habitat areas, and places of stunning natural beauty need to be preserved for future generations. I particularly thank my colleague from California, Senator Barbara Boxer, for her leadership on this issue and her sponsorship of the Permanent Protection for America's Resources Act, of which I am a cosponsor.

By now, I am sure that all of you are well aware of the importance of preserving open space, and of its continuing disappearance from America's landscape. As numerous witnesses have already testified, development is eating into our nation's forests, farmlands, and wetlands.

S. 532, the Public Land and Recreation Investment Act, addresses this problem by ensuring permanent funding for two of our nation's pre-eminent conservation and recreation programs: the Land and Water Conservation Fund and the Urban Parks and Recreation Recovery Act. Specifically, the bill provides $900 million annually, without further appropriation, for these critical programs.

Fifty percent of the funding-$450 million per year—will be allocated to the Federal Government, so that we may continue to acquire prime conservation and recreation land, habitat areas, and open space in and around national parks, refuges, forests, and other public lands.

Forty percent of the funding-$360 million a year-will go to the stateside grants program of the LWCF. The stateside grants program has helped States acquire over 2 million acres of park land and open space over the years, but Congress has not funded it since 1995. Reviving the stateside grants program will give States a critical boost in their efforts to preserve key open space, recreation, and wildlife habitat areas.

In an effort to make the stateside grants program more effective, the Public Land and Recreation Investment Act also institutes a new requirement that States develop a plan for conservation, open space, and conservation; requires States to pass through 50 percent of the grants they receive to local governments; and, for the first time, allows Indian tribes to receive LWCF funding.

Finally, the bill directs 10 percent of LWCF funding, or $90 million per year, to the Urban Parks and Recreation Recovery Act. UPARR targets parks and recreation funds where, arguably, they are needed the most-cities where recreational facilities are deteriorating or nonexistent. Under this bill, for the first time, cities will be able to use UPARR funds to acquire land for conservation and recreation purposes.

I introduced the Public Land and Recreation Investment Act for three key reasons. First, I believe strongly that the LWCF and UPARR should continue to play a central role in preserving sensitive land from development. The LWCF works. Since 1965, it has helped to preserve nearly 7 million acres of America's most special places. Rather than inventing new programs to preserve open space, why not concentrate first on fully funding the programs we already have?

Second, I introduced the Public Land and Recreation Act because I wanted to preserve the LWCF for the purposes for which it was intended-land acquisition at the Federal, State, and local level. Some of the LWCF-related proposals that are currently pending in Congress would make dramatic changes in the program that would significantly impair the Federal Government's ability to acquire land.

I certainly understand the fact that sprawl is a local issue, and this bill gives State and local governments the tools to address it. But the Federal Government has a role to play here; otherwise, we would not be in this hearing room today. To compromise the Federal Government's ability to acquire land, particularly at a time when open space issues are absolutely critical, seems at best short-sighted.

Finally, I felt it was important to have a moderate, relatively low-cost alternative on the table should other proposals pending in Congress prove too expensive or too controversial. We have a golden opportunity this year to make an unprecedented commitment to open space and habitat preservation. Senator Landrieu's bill, Senator Boxer's bill, and the President's Lands Legacy Initiative and Better America Bonds proposal all would dramatically increase our investment in public lands. But these proposals, as you know, are expensive, and each has, in its own way, drawn some political heat.

I would hope that if we cannot agree on a new, broad-based conservation initiative, or if we cannot find money in the budget to "do it -all," we can at least make a commitment to fully fund LWCF and UPARR. These are highly successful programs, and they enjoy a broad base of support. It is time that we fulfill the extraordinary promise of the LWCF. I believe that doing so is key in preserving our most special land, at the Federal, State, and local level, from development and sprawl.

Again, thank you for this opportunity to testify before the committee.

STATEMENT OF HON. PARRIS GLENDENING, GOVERNOR OF THE STATE OF MARYLAND

Thank you Chairman Chafee and distinguished members of the committee. It is a pleasure to be here today to discuss land use issues in this nation, and, more specifically, Maryland's Smart Growth/Anti-Sprawl program and Neighborhood Conservation initiative.

Before I begin, I will take a moment to express my appreciation to Senator John Chafee. When you retire at the end of your term in 2000, you will leave behind a powerful legacy of strong leadership on critical issues: Health care and housing for low income children and their families; Helping people with developmental disabilities realize their full potential; And of course providing for a cleaner environment. I thank you for your dedication to these issues.

It is a pleasure to be here and to speak about one of my favorite topics. Whether we call it Livable Communities, Sustainable Growth, or as we call it in Maryland Smart Growth, this national movement toward more sensible land use patterns offers us a genuine opportunity to make positive, lasting change as we begin a new century.

For 50 years, Americans have acted as if moving out is moving up. In the process, we have taken our natural resources for granted. We have paid too little attention to what happens to agricultural communities when farms are fragmented by development. Or what happens to forests, and the wildlife that lives in them, when they are destroyed by roads or malls. Across this nation, we have let too many of our great and historic cities and towns collapse. This has been done, in part, through an indifference to urban needs that has fueled the great flight to the suburbs. We must remember that we cannot be a suburb to nothing!

Those of us who have studied the causes of sprawl understand that government policies, even well-meaning policies, too often have caused or perpetuated the very patterns of development we are now trying to reverse. For example, the Interstate Highway System provided the United States with perhaps the best national road network in the world. That highway system is so good, in fact, that it has literally

paved the way for long-distance commuting from virtually any corner of this nation. The Interstate program—combined with the G.I. Bill that made low interest mortgage loans available to returning World War II veterans—were great programs, but they inadvertently made sprawl development financially viable for developers and home buyers.

Now, those patterns of land use have increased air pollution that has virtually negated the introduction of dramatically cleaner cars, and they have cost taxpayers hundreds of billions of dollars for new, and often redundant, highway or other infrastructure costs.

In Maryland—and I know this is so in many other States—we too often followed an unwritten rule that directed State funds to new suburban developments first, at the expense of our older communities and neighborhoods. It was a hidden form of entitlement! No matter where a developer wanted to build, the State pitched in to help. Even if it hurt our established communities. I can remember when my wife Francie and I were courting, we would have dinner on Friday nights with her parents, then go into downtown Cumberland. Plenty of open stores, coffee shops, movie theaters, people walking around, etc. A perfect Norman Rockwell small town setting on a Friday evening. Then some developers wanted to build a big shopping mall just outside Cumberland, and the State pitched in with $12 million for roads and other infrastructure. Within a year from when this mall was built on the side of the mountain, stores in downtown Cumberland shut down, some closed at 5 or 6 p.m., and it looked like a ghost town. Now we are spending millions more in State dollars to revitalize the same downtown Cumberland we helped to destroy by providing funding for the mall!!!

We are reversing these trends in Maryland by addressing the fundamental driving force behind development decisions: bottom-line cost. We decided that if government policies had inadvertently encouraged sprawl by making it cost-effective, then new government policies could encourage investment in existing communities and Smart Growth centers, and make it more expensive to further sprawl. People make bottom-line decisions. Homebuyers do. Builders do. Investors do. Therefore, it must be our goal to change the bottom line.

That is why we turned our $17 billion per year State budget into an incentive fund for Smart Growth. First through State law in 1997, and then by Executive Order in 1998,

we refocused the State's financial resources on our established communities and neighborhoods. For development projects outside of those areas, we are saying, "Sorry, the State will not help out! If you building out there, and tearing up one more farm, then you pay for roads, water and sewage, schools, parks, and other development costs. But, If you invest in our existing communities, then you will avoid those costs, and you will have access to tax credits, grants, low-interest loans, and other bottom-line impacting incentives."

Let me emphasize: It is not our intention to stop growth. We do not want "No Growth," or even "Slow Growth." In fact, we want economic growth in Maryland, and our economy is booming. We have the third highest family income in the nation,

and stand at a 10-year low in unemployment. We simply will no longer approve State funding for capital projects not in accordance with our Smart Growth Program. We will not use tax dollars to subsidize sprawl.

Think about this statistic: The American Farmland Trust says the United States is losing 45.6 acres of green space an hour. That is a loss of more than one acre every 2 minutes! In Maryland, if growth patterns do not change, new development will consume as much land in the next 25 years as it has during the entire 350-year history of the State. This simply cannot be allowed to continue.

Think about it: We carefully plan for and invest in our capital infrastructure roads, schools, water, and sewer lines. We also carefully plan for and invest in our human infrastructure education, health services, and care for our disabled and elderly. We must equally understand the need to care for and invest in our environmental infrastructure . . . our green infrastructure our forests, fields, farms, rivers, lakes, bays and streams. I am proud that we already laid a sound foundation for the protection of our green infrastructure with Smart Growth.

Maryland may be a leader in this effort—but we are not alone. This is neither a regional issue, nor a politically partisan one. All over the country my counterparts on both sides of the aisle are addressing the same or similar problems: Republican Governors like Mike Leavitt of Utah and Christie Todd Whitman of New Jersey are dealing with the adverse effects of sprawl development and working to protect and preserve green space; Democratic Governors like Tom Carper of Delaware and Roy Barnes of Georgia are doing great things regarding transportation and land-use; And Independent Governor Angus King of Maine is working to address the threats

from unplanned and unchecked sprawl development before the quality of life in his State is permanently damaged.

My fellow Governors and I are on the front lines, but there are some critical steps that only the Federal Government can take to help us win this battle against sprawl. I see four key areas: 1. Continue and expand effective programs; 2. Emphasize the location of government facilities; 3. Use a "sprawl vs reinvestment" test for decisions; 4. Rethink some broader policy issues.

First, continue and expand effective programs like the Conservation Reserve Enhancement Program [CREP], which is providing Maryland with $200 million to protect forest buffer along our waterways. I stress that we are not just asking for money. We are making a significant investment as well. The State is investing approximately $140 million over first 5 years of our Rural Legacy program to protect close to 70,000 acres threatened by development.

Additionally, new programs like the Livable Communities initiative can be a helpful way for the Federal Government to be a partner with State and local governments on this issue. Just think what a strong Livable Communities partnership could mean to all our States: The Better America Bonds could unleash $9.5 billion in investments to preserve green space, restore urban areas, and protect water quality. In Maryland, this would help us expand our Rural Legacy and Brownfields programs. Community Transportation Choices is a $9.9 billion proposal to ease congestion and improve air quality. As most members of Congress already know, the Washington area suffers from the second worst traffic congestion in the nation. In Maryland, this initiative would help us meet our goals of doubling mass transit ridership, improve existing roads, and exploring new technology-based options to reduce congestion. And the Regional Connections Initiative would provide $50 million in matching funds to enact Smart Growth strategies. This would help us revitalize existing communities. An important aspect in the Livable Communities approach is the emphasis on keeping land use decisions with local government. A solid Livable Communities partnership will give the States and local jurisdictions many of the tools they need to combat sprawl.

The second approach the Federal Government can adopt is emphasizing the location of government facilities in Smart Growth areas. The Federal Government should make it a practice to locate new offices in central business districts especially in communities where other revitalization efforts are already underway. Sometimes relatively simple actions like keeping a Post Office on Main Street rather than building a new one outside of town can make a large difference in whether a community's downtown business district remains viable. We are following this policy in Maryland: Before I took office only 43 percent of our school constriction budget went toward renovating and modernizing our older schools . . . today well over 80 percent is dedicated to older schools in established communities. And Court Houses and County Buildings from Berlin on the Eastern Shore to Hagerstown in Western Maryland are being built downtown, supporting our neighborhoods.

The third step the Federal Government can take it to apply a simple test to policy decisions: "Does this reinvest in an establish community or does it contribute to sprawl." Once you begin viewing your policy decisions from this perspective, you will realize how many governmental actions have a significant impact on either protecting or threatening open space, on either reinvesting or disinvesting in established areas, on either fighting sprawl or assisting sprawl. This Smart Growth test needs to be applied to virtually every decision we make involving the allocation of resources. The hidden costs of sprawl, and the benefits of reinvesting in older areas, must be taken into account.

Finally, we must look anew at many broad policies at the Federal level. Certainly we must have water and air pollution standards. We must also adopt minimal national standards for animal waste run-off to prevent competition between States that ultimately results in lowering pollution standards in order to attract business. But we must also look at policies that are grounded in laudable goals like cleaner air and water, but that have unintended consequences that actually make them worker counter to their intentions. For example, disallowing growth in "nonattainment" areas often has the effect of forcing growth away from areas we want it like Baltimore and to "greenfields" where we do not want it. We need the flexibility to target the appropriate investments to the right areas and away from open space.

I conclude with an observation: There are still those who do not understand that Smart Growth programs are about a different future; about a different vision for a better America. The fact is, we are going to have growth—so our choice is clear: We can either hide our heads in the sand and ignore it, and then face the consequences of unplanned growth. Or we can plan for a better future. I choose the latter. And I am confident that you will as well.

Change will not be easy. We had a Public Safety Training Center project in the planning stages for over a decade, but as we began to look at things thinking Smart Growth first, we realized that the location is not consistent with our Smart Growth Program. We are still building it, it's going to be better than originally planned, but it will be in a location that is consistent with Smart Growth and preventing future sprawl. And now there is a great hue and cry in the community and the Maryland General Assembly about relocating this center. But at some point we have to make the tough decisions about Smart Growth today so we can prevent future sprawl and over-development tomorrow. I am reminded of the old saying "Everybody wants to go to heaven, but nobody wants to die to get there."

Quite frankly, change will take time. There is no overnight solution. It will require changes in attitudes as well as in the way we do business at every level of government; local, State, and Federal. And frankly, it will take years before we begin to see change. But we will change. There is too much at stake.

I will leave you with one final thought. Last month, Bill Hudnut, the former Mayor of Indianapolis and now a Senior Fellow with the Urban Land Institute, spoke before the Natural Resources Committee of the National Governors' Association,

which I have the honor of chairing. His message to the Governors was one of urgency: We must begin to address the multiple challenges embodied in the movement known as "Smart Growth" before it is too late. He told an old North American Indian saying:"We do not inherit the land from our ancestors; we bequeath it to our children. In other words, we are not owners but stewards of our environment. As protectors, we must remain determined to pass the environment to future generations in a better state than we found it. Thank you again for inviting me to speak with you today.

SMART GROWTH AND NEIGHBORHOOD CONSERVATION

PAMPHLET ISSUED BY THE MARYLAND OFFICE OF PLANNING

Priority Funding Areas

In much the same way that a family decides to save or spend its limited resources, the State is prioritizing its spending. In the past year, each county and municipality has been working to analyze its future growth needs. With the assistance of Models and Guidelines prepared by the Maryland Office of Planning, counties have used tools such as existing zoning, comprehensive plan maps, and water and server plans to define their "Priority Funding Areas." These are locally certified areas where growth is planned, infrastructure is already in place, and that are consistent with criteria established by the Smart Growth and Neighborhood Conservation Act. By investing funds only in these areas, the State will save taxpayer dollars, protect open space from sprawl development and preserve its heritage. Focusing State investments and programs will strengthen neighborhoods, support the entrepreneurial spirit and create job opportunities. County certified Priority Funding Areas soon will be in place along with those designated by the legislation in order to provide a high quality of life for our children.

Rural Legacy

Marylanders are united in their desire to protect the environment through Smart Growth policies. They have underscored their sentiments with creative proposals to preserve forests, open spaces, wildlife habitats and agricultural lands. Their recommendations also will create greenbelts around existing communities and protect sensitive areas, such as the Chesapeake Bay and its stream corridors from the hazards of development. In the first year of the Rural Legacy Program, partnerships made up of local governments, land trusts and land owners submitted 20 competitive applications requesting funds to purchase and protect over 53,000 acres of land. This overwhelming response will put the Rural Legacy Program well on its way to achieving its goal of preserving 200,000 acres by the year 2011.

The Rural Legacy Program is providing the funding and focus to strategically identify and permanently protect the State's most valuable remaining term land and natural resource areas before they are forever lost to development. Through this toward thinking land conservation program, the State hopes to preserve land at a pace equal to that of development. With programs like Rural Legacy, Marylanders today are insuring a high quality of life - clean air and water, outdoor recreation, and a rich cultural heritage - for Nature generations.

Voluntary Cleanup and Brownfield Programs

The future is bright for industrial sites once buried In a haze of pollution and legal uncertainty. Private companies have begun using the State's Voluntary Cleanup and Brownfields Programs to assess, cleanup and redevelop abandoned or underutilized sites so that they may once again be a productive part of our economy. Cleanup will make a marked difference in the quality of our air, water, and community life as a whole. Redevelopment of these sites takes the effort a step further by bringing jobs back to already developed but abandoned industrial areas and by increasing tax revenues.

Companies from across the State continue to express interest in the Voluntary Clean-up and Brownfields Programs by requesting applications to participate. In the year since the Smart Growth initiatives became law, companies have submitted a total of 31 applications to participate in the Voluntary Cleanup program. These applications have a potential to clean-up approximately 610 acres of prime commercial land in Anne Arundel, Washington, Prince George's, Montgomery, Cecil and Carroll counties, and the cities of Cumberland and Baltimore. Twelve of these applications have been approved; two currently are being remediated; and, cleanup has been completed on six sites.

The Job Creation Tax Credit

Dozens of small and mid-sized businesses are creating full time, permanent jobs for residents across the State. Thanks in part to the availability of Job Creation Tax Credits in Smart Growth areas, nearly 91 businesses have or will soon create nearly 19,422 new jobs in established communities or those targeted for new growth. These jobs must pay at least 150 percent of the current $5.15 minimum wage but are averaging a higher rate of $41,500 per year. Jobs created are in fields as diverse as computer technology, publishing, warehousing, health care and manufacturing. The Job Creation Tax Credit contains two Smart Growth components. In Revitalization Areas, the tax credit rate is doubled; in Designated Neighborhoods within Priority Funding Areas, the minimum new job threshold is reduced from 60 to 25 full-time jobs.

The success of this program means more family supporting jobs for Marylanders and the rejuvenation of our older neighborhoods. As additional businesses take advantage of this incentive, State and local governments will continue to save more taxpayer dollars by using infrastructure that is already in place rather than build costly new infrastructure to support sprawl development. Moreover, as businesses expand our economy will grow even stronger.

Live Near Your Work

Employees of an increasing number of businesses and institutions in Maryland are eligible to receive a minimum of $3,000 toward the purchase of their home using a new initiative called the Live Near Your Work Program. These funds are being made available through a unique partnership. The State is contributing $1,000, which is being matched by the local jurisdiction and the employer, each of which is contributing a minimum of $1,000 to employees who purchase homes close to their places of work.

The benefits of the Live Near Your Work Program are clear: neighborhoods are strengthened through increased homeownership, commuting costs are reduced, and important relationships are forged between employers and their surrounding communities. Through this incentive, participating employers are offering their work force an improved quality of life that will in turn create a renewed sense of community within Maryland's existing neighborhoods.

In less than 1 year of operation, 31 employers in six Maryland jurisdictions have partnered with the State to offer this neighborhood revitalization incentive. Buoyed by the success of the Live Near Your Work Program, the State will make another $300,000 available for fiscal year 1999 so that additional employers and employees can take advantage of the opportunity to promote homeownership and invest in Maryland's older communities.

Smart Growth Initiatives

Maryland has created a tapestry of policies and programs to protect, preserve and economically develop established communities and valuable natural and cultural resources. Many were developed over several decades but in 1997, Governor Glendening's landmark Smart Growth initiative provided an umbrella under which these diverse programs are unified. Local and State governments continue to develop and refine these programs and policies to best meet their needs. The following section provides an overview of programs that complement the goals of Smart Growth.

Priority Funding Areas.—This component of the Smart Growth legislation defines where State and local governments encourage economic development and growth. Beginning October 1, 1998, the State must direct funding for growth related projects to these "Smart Growth Areas." Contact: James Noonan, Maryland Office of Planning (410/767–4570)

Educational Outreach and Assistance.—Information about Smart Growth and educational activities. Smart Growth video available. Contact: Thomas Bass, Maryland Office of Planning (410/767–4578)

Models and Guidelines.—This series of publications provides innovative planning and community development techniques. It is offered in hard copy or via the Internet (www.op.state.md.us) Contact: Scribner Sheafor, Maryland Office of Planning (410/767–4575)

Technical Assistance.—Technical and financial assistance to local governments for planning, environmentally responsible "green" development practices and related activities. Contact: Scribner Sheafor, Maryland Office of Planning (410/767–4575) or Maryland Department of Natural Resources: Mark Bundy(410/260–8720)or Theresa Pierno (410/260–8710)

Graduate Program in Smart Growth.—Contact: Tracy Stanton, University of Maryland (301/405–6358)

Economic Growth, Resource Protection, and Planning Act of 1992.—This Act requires that local Comprehensive Plans be updated periodically and be consistent with "Visions," local zoning, subdivision ordinances other plans. A citizen commission oversees implementation. Contact: Gail Moran, Maryland Office of Planning (410/ 767–4554)

Neighborhoods

Live Near Your Work.—A program providing employees of participating employers $3,000 toward buying homes near their workplace. Contact: John Papagni, Department of Housing and Community Development (410/209–5807 or 800/756–0119)

Quality Community Surveys.—An interactive process of determining resident's visual preferences about community. Contact: Beth Robinson, MTA (410/767–8352)

Housing Development Programs.—Financial assistance to construct elderly and family rental housing in designated areas. Peter Engel, Maryland Department of Housing and Community Development (410/514–7481 or 800/756–0119)

Neighborhood Partnership Program.—A corporate tax credit program to promote private investment in neighborhood revitalization activities. Contact: Glenda I<:eel, Department of Housing and Community Development (410/ 514–7241)

Smart Growth/Smart Ideas Homeownership Initiative.—An innovative program providing 4 percent interest rates for home mortgage in select neighborhoods. Contact: Fran Makle, Maryland Department of Housing and Community Development (410/514–7530; or 800/638–7781)

Maryland Mortgage Program.—A tool to strengthen neighborhoods through IONV interest home mortgages for working families. Contact: Fran Makle, Maryland Department of Housing and Community Development (410/514–7530 alar 8()0/638–7781)

Main Street Maryland.—A new comprehensive, downtown revitalization program to strengthen economic potential in traditional main streets and neighborhoods. Initial participants include Mount Rainier, Cumberland, Oakland, Easton, and Baltimore's Charles Village. Additional communities to be designated. Contact: Cindy Stone, Maryland Department of Housing and Communities Development (410/514–7256)

Neighborhood Business Development Program.—This program provides loan and grant gap financing for small business startups or expansions in designated revitalization areas. Contact: Dottie Myers, Maryland Department of Housing and Community Development (410/514–7288 or 800/756–0199)

Neighborhood Stabilization Preservation Act of 1998.—A three-year demonstration program providing participating home buyers in Hillendale (Baltimore County) or Waverly (Baltimore City) with an 80 percent property tax credit. Contacts: Hillendale—JoAnne Holback, Baltimore County Neighborhood Housing Services (410/769–8820); Waverly—Dennis Taylor,Baltimore City Department of Housing and Community Development -(410/396–3474)

Neighborhood Conservation Program.—A revitalization program to assist with road improvement projects—streetscapes, curbs, gutter, repaving & lights—that improve mobility and facilitate local plan implementation. Contact: Yolanda Takesian, Department of Transportation (410/865- 1287)

Retrofit Sidewalk Program.—Up to 100 percent moneys for sidewalks along State highways in revitalization areas at the request of local governments. Contact: Dennis German, Maryland Department of Transportation (410/545–8900)

State Facilities Planning and State Purchases.—Growth management strategies used in selecting sites for State facilities and assessing options between the new construction and renovation of State buildings. Department of General Services Contacts: Michele Rozner (410/767–4960); Steve Cassard (410/767–4330); Tom Genetti(410/767–4214); or Bob Cheeks, (410/767–4440)

Job Creation

Job Creation Tax Credit.—State tax credits for businesses providing new permanent, family supporting jobs in designated areas. Contact: Jerry Wade, Maryland Department of Business and Economic Development (410/767-6438)

Enterprise Zones.—Tax breaks offered to businesses locating or expanding in State-designated areas. Enterprise Zones automatically are designated as Priority Funding Areas, thus eligible for State infrastructure funding under the 1997 legislation. Contact: Jerry Wade, Department of Business and Economic Development (410/767–6490)

Maryland Heritage Preservation and Tourism Areas.—Matching grants, State tax credits and broad program support for public/private partnerships to develop and implement cultural tourism opportunities Cumberland's Canal Place is the only certified participant; others are designated and await certification. Contact: Bill Pencek, Department of Housing and Community Development (410/514–7604)

Business Assistance and Permit Coordination.—A program to facilitate environmental permit and assistance with environmental program compliance. Contact: Sue Battle, Maryland Department of the Environment (410/631–3772)

Public Schools.—State funding to help local governments construct or renovate public schools. Emphasis is placed on necessary renovation of existing schools. Contact: Yale Stenzler or Barbara Strein, Public School Construction Program (410/767–0610)

The Aging School Program.—Complete funding is provided to address the capital needs of aging school buildings. Contact: Barbara Strein, Maryland Public School Construction Program (410/767–0619)

Public Safety

Hotspot Communities Initiatives.—A crime fighting strategy targeted to locally designated areas for new police officers, probation agents, nuisance abatement teams, after school activities, citizen patrols and other proven enforcement and prevention strategies. Contact: Amanda Outings, Governor's Office of Crime Control and Prevention (410/321–3521)

Community Policing.—Block grants for training/facilitating local police and citizen crime prevention and protection. Contact: Adam Gelb, Lt. Governor's Office (410/974–2804) or Michael Sarbanes, Governor's Office of Crime Control and Prevention (410/321–3521)

Expanded Police Activities.—Coordinated and expanded State Police activities to provide safe communities, reduce violence and provide a climate for local economic development and growth. Contact: Doug Ward, Maryland State Police (410/653–4257)

Gun Control.—Comprehensive approach to reduce gun-related violent crimes. Contact: Adam Gelb, Lt. Governor's Office (410/974–2804) or Michael Sarbanes, Governor's Office of Crime Control and Prevention (410/321–3521)

Transportation

Smart Growth Transit Program.—Multi-agency effort to provide funds to stimulate private investment adjacent to major transit facilities. Goal is to create high density, mixed-use pedestrian development that promotes efficient land use and increases transit ridership. Contact: Jim Peiffer, Maryland Department of Transportation (410/767–3906)

Transit Plus.—Incentive program allowing employers to provide up to $65 per employee, per month in discounted tax-free transit benefits. Contact: Buddy Alves, Maryland Department of Transportation (410/767–8750)

Preservation

Rural Legacy Program.—This Smart Growth grant program protects large rural greenbelts from sprawl through the purchase of easements/development rights from land owners. Contact: Grant Dehart, Maryland Department of Natural Resources (410/260–8403, program line or 410/260–8425, direct line)

Agricultural Land Preservation Foundation—Agricultural Easements.—A program to preserve agricultural lands, provide production of food and fiber, curb the extent of urban sprawl and protect lands as open space. Contact: Paul Scheidt, Maryland Agricultural Land Preservation Foundation (410/841–5860)

Maryland Environmental Trust—Environmental Easements.—This program conserves, improves, stimulates and perpetuates environmentally significant lands. Contact: James Highsaw, Maryland Environmental Trust (410/514–7900)

Maryland Historical Trust—Historic Preservation Easements.—An easement program to protect historic properties. Easements may be required as condition of Trust grants, loans or State bond funds and provide financial incentives for property owners. Contact: Michael Day, Maryland Department of Housing and Community Development (410/514–7629)

Maryland Historical Trust Grant Fund and Historic Preservation Revolving Loan Fund.—Grants and loans for acquisition, rehabilitation and restoration of historic property as well as historic preservation education, promotion, research and survey activities. Contact: Elizabeth Hughes, Maryland Department of Housing and Community Development (410/514–7617)

Program Open Space.—A State program designed to acquire park land, forests, and natural, scenic and cultural resources for public uses. The program has already acquired nearly 158,000 acres. Contact: Grant Dehart, Maryland Department of Natural Resources (410/260–8403, program line; 410/260–8425, direct line)

Forest Conservation Program.—Establishes forest conservation and forestation standards for local authorities to enforce during development. Contact: Marian Honeczy, Maryland Department of Natural Resources (410/260–85

Buffer Incentive Program.—Provides landowners with one-time $300 grants per acre to plant forest stream and waterway buffers to reduce non-point source pollutants. The program also provides public education programs. Contact: Donald VanHassent, Maryland Department of Natural Resources (410/260–8504)

Forest Legacy Program.—Identifies and protects environmentally important and threatened forest lands for traditional uses of private lands. Contact: Donald VanHassent, Maryland Department of Natural Resources (410/260–8504)

Stewardship Incentive Program.—Financial assistance through reimbursable cost-sharing to help private forest land owners implement specific forest management practices such as tree planting, wildlife habitat enhancement, riparian and wetland habitat enhancement and recreational opportunity development. Contact: Donald VanHassent, Maryland Department of Natural Resources (410/260–8504)

Conservation Resource Enhancement Program.—A federally funded voluntary program to encourage farmers to remove crop land, plant buffer strips and restore wetlands along Maryland's tributaries. Contact: Royden Powell, Maryland Department of Agriculture (410/841–5865)

Farm Land Preservation Atlas.—Atlas of farm preservation shows relationship and implications of land use, zoning, development pressure, easements,-conservation zones and soils. Contact: Daniel Rosen, Maryland Of lice of Planning (410/767–4569)

Environmental

Brownfields.—The following three programs are designed to better facilitate redevelopment of former industrial sites:

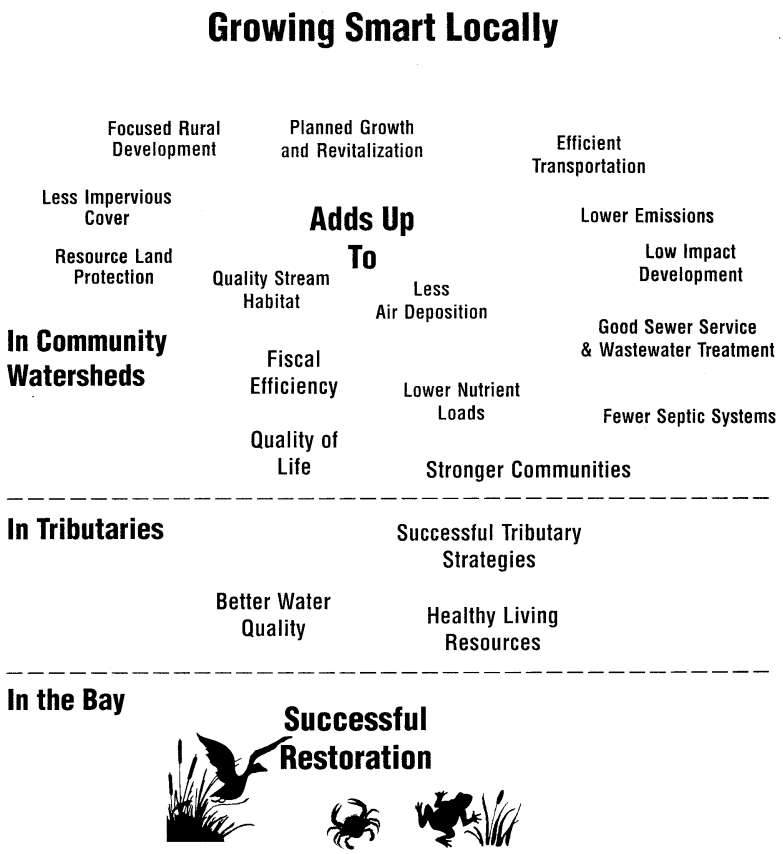
- Voluntary Cleanup: Process for property clean up. Contact: Jim Metz, Maryland Department of the Environment (410/631–3493)
- Brownfields Program: Economic assistance for contaminated properties. Contact: Steve Lynch, Maryland Department of Business and Economic Development (410–767–6390)
- Brownfield Site Assessment: Site assessments for vacant and underutilized brownfield sites. Contact: Art O'Connell, Maryland Department of the Environment (410/631–3493)

Hazardous Mitigation Assistance.—Hazard mitigation funds for eligible individuals, State agencies and non-profit organizations for projects eliminating or lessening repetitive disaster or flood damage problems. Contact: Evalyn Fisher, Maryland Emergency Management Agency (410/486–4422)

Water and Sewage Infrastructure Financing.—This program redirects water quality capital financing to facilitate community revitalization and to. support growth within these communities. Program also funds needed water and wastewater projects in the more rural and less ambient areas of the State. Contact: Virginia Kearney, Maryland Department of the Environment (410/631–3574)

State Air Emission Offset Banking and Trading Program.—A program to promote the establishment of a State reserve for environmental improvement. It encourages development and redevelopment in Smart Growth areas. Contact: Diane Franks, Maryland Department of the Environment (410/631–3240)

Ecosystem Management Assessment Program.—A new program to demonstrate cost-effective conservation programs and practices to best manage property and structures for a healthy environment. Contact: Ronald Gardner Maryland Department of Natural Resources (410/260–8813)



STATEMENT OF DAVID HAYES, COUNSELOR TO THE SECRETARY, DEPARTMENT OF THE INTERIOR

Mr. Chairman, members of the committee, thank you for the opportunity to testify on behalf of the Department of the Interior regarding the Administration's Lands Legacy Initiative, and those aspects of the Livable Communities Initiative which Interior programs support. The Department of the Interior is a lead agency for the Lands Legacy initiative, which I will discuss in more detail below. Lead agencies for the Livability Initiative are the Department of Transportation, HUD and EPA. Interior administers one program that is included in the Livability Initiative and has other complementary efforts, and I will discuss those in my testimony as well. However, for a complete understanding of the Livability Initiative, I refer the committee to the written statements of Transportation and EPA that will be submitted for the record.

Administration's Lands Legacy Initiative

At the start of this century, President Theodore Roosevelt called on Americans to save the best of our natural endowment for all time. His legacy is seen all across America in National Parks, National Forests, and our National Wildlife Refuge System. President Clinton's Lands Legacy Initiative renews America's commitment to its natural environment. The initiative requests $1 billion, within a balanced budget, to expand Federal protection of critical lands across America, helps States and communities preserve local green spaces, and strengthen protections for our oceans and coasts. The President also has committed to work with the Congress on legisla-

tion that would provide a permanent funding stream for these purposes of about $1 billion per year.

The initiative provides roughly equal funding for Federal and non-Federal conservation efforts, representing a 124 percent increase over fiscal year 1999 funding. It includes $900 million from the Land and Water Conservation Fund (LWCF), which draws revenues from Federal offshore oil leases.

The intention is to allow the Federal Government to work with the many others who care about our natural resources and greenspace to achieve the next stage in conservation in this country. This vision recognizes that different areas and communities need different kinds of tools to achieve their conservation goals. It also recognizes that Federal land acquisition is a part, but only one part, of the nationwide effort at conservation. States, local communities, and Tribes must make decisions and receive the funding to achieve the goals that they themselves set.

Thus, the Administration proposes to provide a range of flexible tools to States, local communities, and Tribes to address their various open space needs. The initiative includes funds for Federal land and water acquisition to protect our natural treasures, as well as funds to States, local governments, and Tribes for farmland protection, preservation of working forests, wildlife habitat protection, urban and suburban greenways, and coastal environmental needs. Thus, in addition to the Department of the Interior funding discussed in more detail below, the Administration's budget requests additional funding for the Department of Agriculture's Farmland Protection, Forest Legacy, and Urban and Community Forestry programs, and NOAA's National Marine Sanctuaries, Coastal Dredge Area restoration, and Fisheries Habitat Restoration.

Department of the Interior's fiscal year 2000 Budget

The Department's fiscal year 2000 request for Interior Federal land acquisition will concentrate on five major areas, including the California Desert, Civil War Battlefields, the Lewis and Clark Trail, refuges in the Northern Forest, and the Everglades. A total of $295 million is requested for these and other priority Federal land acquisition projects. Another major emphasis is on efforts to allow States and localities to continue to grow while conserving and recovering imperiled wildlife species. $80,000,000 is requested for States and local governments for habitat conservation planning, land acquisition, candidate conservation agreements, Safe Harbor Agreements, and other collaborative strategies.

In America today there is a resurgent sense of the need to preserve open space and the quality of life of our communities. The Initiative includes $150 million for a competitive grants program that will assist States, local governments, and Tribes to preserve open space, and is an opportunity for us to establish new partnerships with these entities to enrich our cities, towns, and suburbs. This program could provide dramatic results by leveraging Federal funds with non Federal resources. The proposal also calls for $50 million for grants to States to support open space planning. We expect to work with Congress in framing a viable program that will result in increased open spaces, green ways, and other areas for outdoor recreation, urban parks, wildlife habitat, and coastal wetlands.

$80 million is provided for the Cooperative Endangered Species Fund to support Habitat Conservation Plans (HCPs) development. These HCPs set aside undisturbed open space for habitat for endangered or threatened species and enable urban planners to take wildlife and open space considerations into account when planning for future development. The U.S. Fish and Wildlife Service is developing HCPs in several urban areas, including San Diego, Tucson, and Sacramento. I would like to describe one example that I think illustrates how Federal expertise teamed with local partners can yield a powerful planning tool that contributes significantly to the goals of the Livability agenda.

- San Diego County has a greater number of threatened and endangered species than anywhere in the continental United States. In March, Secretary Babbitt announced the San Diego Multiple Species Habitat Conservation Program (HCP) which aims to acquire and preserve about 172,000 acres of habitat over the next 50 years. This area is adjacent to the San Diego National Wildlife Refuge and is comprised of large blocks of interconnected habitat that would mitigate the impacts of continued urban development located mostly outside of the preserve boundaries. The plan emphasizes the protection and management of habitats rather than focusing preservation efforts on one species at a time. The HCP will allow 85 species (20 listed species and 65 unlisted species) to survive as the San Diego area continues to grow. About half of the acreage needed for the program is already publicly owned or destined for public ownership. Much of the rest is expected to be bought over the next years from willing sellers or deeded by landowners in exchange for development rights on other habitat lands. As part of this HCP, San Diego County can now

approve developments in sensitive habitats as long as developers follow the HCP rules, which include compensation for such damage by preserving other habitat.

Administration's Lands Legacy Principles

Turning now to our proposal regarding the development of legislation to provide a permanent source of funding for the conservation of America's land resources, the Administration has developed the following Principles that will guide our work with Congress in developing legislation that will provide a lasting legacy for future generations of Americans. These Principles are as follows:

- Legislation must create a permanent funding stream, within the context of a balanced budget, of at least $1 billion annually beginning in fiscal year 2001.
- Legislation should specify a generally equal allocation of funding between 1) Federal land acquisition; and 2) funding for State, local, and tribal governments to acquire, protect, or restore open space, greenways, urban and community forests and parks, wildlife habitat, coastal wetlands, farmland protection and sustainable forests.
- Legislation should provide funding for various tools for State, local, and tribal communities to protect their open space and natural resources in the manner most appropriate to their area, including the ability to acquire less than fee simple interest in land. The range of tools and programs should be similar in scope to those proposed in the President's Budget for fiscal year 2000.
- Legislation should protect wildlife by providing funding to support the health and diversity of habitat for at-risk and nongame species.
- Legislation should provide support for open space planning that is integrated with other planning, land protection, and smart growth efforts. Funding to States and tribes for planning must encourage consideration of open space preservation, habitat protection, and the identification of appropriate corridors for growth.
- In recognition of the unique environmental needs of coastal States, legislation should include specific programs and partnerships designed to assist in coastal environmental protection, conservation, and restoration. The range of tools and programs should be similar In scope to those proposed in the President's Budget for fiscal year 2000. This allocation must be equitable considering the national needs of all States, and should not preclude the coastal States from competing for the other general grants available to all States.
- Legislation must provide incentives for leveraging the Federal funding to State, local, and tribal governments to the maximum extent possible through matching funds, and partnerships with governmental or private, non-governmental entities including land trusts.
- The program established by the legislation should contain no incentive for additional offshore oil or gas exploration or development, which should continue to be governed solely by existing law and procedures.

Administration's Livability Agenda for the 21st Century

The Lands Legacy Initiative is complemented by a second Administration initiative, the Livability Agenda, that was launched by Vice President Gore in January, 1999. The Livability Agenda grew out of many of the same concerns as the Lands Legacy program—the need to preserve open space and improve the quality of life in our communities. While these two programs complement each other, they differ in their focus: the Lands Legacy Program is primarily concerned with natural resource protection, while the Livability Agenda encompasses a broader array of issues that relate to quality of life, including transportation, safe streets and economic competitiveness. Through the Livability Agenda, the Administration aims to help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth. This program provides a comprehensive array of resources and tools to support local organizations and agencies facing the challenges raised by rapid growth.

As part of the Livability Agenda, the Administration is also proposing a new program, the Community/Federal Information Partnership (CFIP), that would enhance existing technological capabilities and provide communities with greater access to planning information. A multi-agency program, CFIP, will be coordinated by the Department of the Interior through the Federal Geographic Data Committee. The CFIP would make new informational tools, including Geographic Information Systems (GIS) technology, more readily available at the local level to help communities make more informed, collaborative decisions about regional growth. The program would provide matching grants to local agencies and organizations to build their capacity to use GIS technology. In addition, the program would improve public access to existing geographic information in Federal agencies. CFIP will put tools and re-

sources in the hands of communities to make decisions that affect its citizen's quality of life with the best available information.

In addition to CFIP, the Department of the Interior has other existing programs that address many of the goals of the Livability Agenda. As the government's largest land management agency, the Interior Department has developed expertise through a number of its programs that can help communities maximize open space for wildlife and habitat protection as well as for recreational uses. The Interior Department also has substantial data collection and mapping expertise that, along with its other programs, can provide powerful tools to communities as they engage in planning decisions at the local level.

I would like to use this opportunity to highlight a few examples that I think illustrate how the Department of the Interior helps improve the quality of life for our citizens.

The National Park Service has a variety of programs that assist local efforts to develop and maintain open space. UPS Rivers, Trails and Conservation Assistance Program is designed to help local groups undertake conservation projects such as protecting rivers, developing trails and other recreational opportunities. Since its founding in 1988, the Rivers and Trails program has collaborated with over 1000 local groups to work on more than 700 conservation projects in all 50 States.

The Department of the Interior is also at the forefront of some of the country's most advanced data collection and mapping efforts designed to gather information on watersheds and developing urban areas. Data on water quality, watersheds, land use, geological features, natural hazards, and hazards mitigation are collected by the United States Geological Survey. This information is then made available to local communities via the Internet. These resources provide invaluable tools to local communities engaged in land use planning.

- USGS Urban Dynamics Research Program uses geographic, topographic and land-use information to document land use change in many metropolitan areas. Urban dynamic information services serves as an important tool for city and county planners, regulators and developers in understanding the influence of roads, highways, and industry on urbanization. USGS has provided data and mapping information on urban growth patterns to local and regional agencies in the San Francisco-Sacramento and Baltimore-Washington areas. Work on other metropolitan areas is currently underway.

These programs and many others within the Department bring technical and in some cases direct financial assistance to local organizations and agencies that are engaged in local planning and open space protection activities.

In addition, many of the other agencies' Lands Legacy programs compliment the Livability Agenda, including USDA's Forest Legacy, Urban and Community Forestry, Farmland protection and Smart Growth Partnership programs, and NOAA's coastal zone, fisheries, and estuarine reserve programs.

This concludes my statement and I would be happy to answer your questions.

PRESIDENT CLINTON'S LANDS LEGACY INITIATIVE:

FORGING A CONSERVATION VISION FOR THE 21ST CENTURY, FEBRUARY 1, 1999

President Clinton proposes a $1 billion Lands Legacy. initiative to expand Federal protection of critical lands across America, help States and communities preserve local green spaces, and strengthen protections for our oceans and coasts.

This landmark initiative represents a 124 percent increase over fiscal year 1999 funding. It includes $900 million from the Land and Water Conservation Fund (LWCF), marking the first time any Administration has requested the full $900 million funding from LWCF, which draws revenues from Federal offshore oil sales. To sustain these efforts in the new century, the President commits to work with Congress to create a permanent funding stream beginning in fiscal year 2001.

The Lands Legacy initiative continues the Clinton-Gore Administrations strong efforts to save Americans natural treasures. And, by providing significant new resources to States and local communities, it forges a new conservation vision for the 21st century—one that recognizes the importance of preserving irreplaceable pieces of our natural legacy within easy reach of every citizen.

Lands Legacy will be administered by the Department of the Interior (DOI), $579 million; the Department of Agriculture (USDA), $268 million; and the Department of Commerce's National Oceanic and Atmospheric Administration (NOM), $183 million. It will be coordinated with the Administrations complementary Livability Agenda" through interagency cooperation and consultation.

Saving America's Natural Treasures

Federal Acouisitions—The initiative increases Federal land acquisition funding through the Land and Water Conservation Fund by 26 percent to a total of $413 million ($295 million for DOI, and $118 million for USDA). In recent years, the Administration has dedicated LWCF funds to protecting Yellowstone National Park from mining, saving ancient redwoods in California's Headwaters Forest, preserving Civil War battlefields, completing the Maine-to-Georgia Appalachian Trail, and acquiring more than 100 other natural and historic sites across the country. Priorities for fiscal year 2000 include acquisition of over 450,000 acres in California's Mojave Desert, additions to wildlife refuges and national forests in New England, lands critical to the ongoing restoration of Florida's Everglades, and protection of Civil War battlefields.

Helping States and Communities Preserve Green Spaces

Land Acquisition Grants.—Lands Legacy includes $150 million through LWCF for matching grants to State, local and tribal governments for acquisition of land and easements for urban parks, greenways, outdoor recreations, wildlife habitat, and coastal wetlands. The DOI program retools the LWCF State grants program for Smart Growth and open space preservation. Grants will be awarded on a competitive basis, with priority going to projects consistent with statewide Smart Growth plans.

Open Space Planning Grants.—The initiative proposes a new $50 million program of matching grants to State and tribal governments to develop open space preservation and "smart growth" strategies. States and tribes would use a variety of data and tools to identify priority areas for urban development, farmland, and conservation. The program, administered by DOI, would award grants competitively, with priority going to proposals that tie State and tribal plans to regional strategies for managing the economy, job growth, and infrastructure development.

Cooperative Endangered Species Conservation Fund.—The initiative proposes $80 million—a $66 million increase—for State and local government land acquisition to protect threatened and endangered species. By supporting Habitat Conservation Plans and other flexible tools under the Endangered Species Act, the Fund promotes collaborative strategies that sustain both wildlife and economic development. The program is administered by the U.S. Fish and Wildlife Service (DOI).

Forest Legacy Program.—To protect private forest land that provides critical wildlife habitat and is threatened by development, the initiative proposes $50 million—an increase of more than six-fold—for matching grants to States for the purchase of permanent conservation easements. Use of protected lands for forestry and compatible activities is permitted. The program is administered by the U.S. Forest Service (USDA), and the proposed funding would protect about 150,000 acres.

Urban and Community Forestry.—The initiative proposes $40 million—a 29 percent increase—for matching grants to States and communities to establish, maintain, and expand urban and community forests and related green spaces. The program, administered by the Forest Service, operates in partnership with 8,000 volunteer organizations in more than 10,000 communities. The proposed funding would support 75,000 projects in more than 10,000 communities.

Farmland Protection Program.—To protect farmland and sustain rural economies, Lands Legacy would provide $50 million in matching grants to States, communities, and tribes for the purchase of permanent conservation easements on farmland threatened by development. The program, administered by USDA's Natural Resources Conservation Service (NRCS) was created by the 1996 Farm Bill. Through mid-1998, $35 million in Federal funding had leveraged an estimated $230 million in easements, protecting about 127,000 acres.

Smart Growth Partnership.—Lands Legacy proposes a new revolving loan program to support acquisition of land and easements in rural areas. The Partnership, administered by USDA, would make loans to intermediate borrowers (State, local and tribal governments), which in turn would lend funds to rural businesses, land trusts and other nonprofit organizations. Proposed funding of $10 million would support $50 million in loans. Priorities are supporting Smart Growth" strategies and helping owners of underproducing forest land at risk of sale improve forest productivity.

Urban Parks and Recreation Recovery.—The initiative proposes $4 million in matching grants and technical assistance for the restoration of parks in economically distressed urban communities. The program, administered by the National Park Service (DOI), awarded over 1,200 grants from 1978 to 1995 but has remained unfunded since 1995.

Protecting Our Oceans and Coasts

National Marine Sanctuaries—Lands Legacy proposes $29 million—a 107 percent increase—to strengthen protections at 12 marine sanctuaries off California, Florida, Georgia, Hawaii, Louisiana, Massachusetts, North Carolina, Texas, Washington, and American Samoa, and plan for future marine sanctuaries. The funding will allow NOM to accelerate the adoption and implementation of management plans for existing sanctuaries and expand outreach activities with coastal communities.

Coastal Zone Management Act Program—To help promote Smart Growth" strategies along Americans coasts, the initiative proposes $90 million, a 55 percent increase, to help coastal States implement community-based projects for environmentally sound economic development and mitigate urban sprawl. Competitive grants can be used by coastal communities to acquire lands, protect wildlife habitat, protect life and property from coastal hazards, revitalize ports and urban waterfronts, and reduce polluted runoff.

National Estuarine Research Reserves System—The initiative proposes $19 million, a 375 percent increase, to expand a network of critical estuaries representing all the biological regions along Americans coasts. NOM provides guidance and matching funds to States to acquire land, protect resources, and conduct research and education. Twenty-two reserves in 19 States and territories manage about 500,000 acres. The proposed funding would help support additional sites doubling the protected acreage.

Coral Reef Restoration—Lands Legacy proposes $10.3 million—a $10 million increase—to protect fragile coral reefs from pollution and other human impacts. NOM, in conjunction with States, territories, DOI, and other Federal agencies, would restore injured reefs in Puerto Rico, Florida, Hawaii, and U.S. territories; and develop a coral nursery to grow donor material and other restoration techniques.

Coastal Dredge Area Restoration—The initiative proposes $10 million for NOM to work with States, communities, and the Army Corps of Engineers to use material dredged from ports and shipping channels to restore coastal habitats. Dredging is critical to keep shipping lanes open and deepen channels to accommodate larger ships. Safely reusing dredge spoils benefits the environment and reduces disposal costs.

Fisheries Habitat Restoration—To restore declining fisheries, the initiative proposes $25 million for NOM's National Marine Fisheries Service to support community-based habitat restoration projects that restore, acquire, and protect critical fish habitats. Efforts would focus on on-the-ground restoration partnerships in regions that participate in the National Estuary Program, the National Estuarine Research Reserve Program, or have multiple threatened or endangered species.

02/24/99

LANDS LEGACY CROSSCUT
(budget authority, in millions of dollars)

	FY 1998	FY 1999	FY 2000	Change from FY 1999	Funds from LWCF
Discretionary Spending:					
Great Places	284	343	442	99	428
Federal Land Acquisition (DOI) *	217 1/	211	295	84	295
Federal Land Acquisition (USDA) *	53 1/	118	118	0	118
National Marine Sanctuary Program (NOAA)	14	14	29	15	15
Green Spaces/Smart Growth	102	116	588	472	472
Open Space Planning Grants (DOI) *	0	0	50	50	50
Non-Federal Conservation Grants (DOI) *	0	0	150	150	150
Cooperative Endangered Species Conservation Fund (D	14	14	80	66	66
Forest Legacy Program (USDA)	4	7	50	43	43
Urban and Community Forestry (USDA)	27	31	40	9	9
Farmland Protection Program (USDA)	0	0	50	50	50
Smart Growth Partnership (USDA)	0	0	10	10	10
Urban Parks and Recreation Recovery (DOI)	0	0	4	4	4
Coastal Zone Management Act Program (NOAA)	51	58	90	32	32
National Estuarine Research Reserves System (NOAA)	6	4	19	15	15
Coral/Coastal Dredge/Fisheries Habitat Restorations (NO	0	2	45	43	43
Total, Discretionary Spending	386	459	1,030	571	900
Discretionary Spending By Agency:					
Department of the Interior (DOI)	231 1/	225	579	354	565
Department of Agriculture (USDA)	84 1/	156	268	112	230
Department of Commerce/NOAA (NOAA)	71	78	183	105	105

* Program already explicitly authorized to derive funding from the Land and Water Conservation Fund (LWCF).

1/ Does not include $699 million appropriated in FY 1998 on a one-time basis for priority Federal land acquisitions. (DOI $532m; USDA $167m)

RESPONSES BY DAVID HAYES TO ADDITIONAL QUESTIONS FROM SENATOR CRAPO

Question 1. What specific criteria will be used to judge the plans and applications for funding submitted by State and local governments? What policy directions will those criteria drive local governments toward?

Response. The Department of the Interior plans to develop the criteria for distribution of the conservation grants through a public process that seeks input from all interested parties, including State, local, and tribal governments and Congress. While it is premature to foretell the outcome of this process, consideration may be given to projects that protect open space, green ways, wetlands, wildlife habitat, coastal environments, and recreational opportunities these lands provide, and that are consistent with State, tribal, regional, and local community open space protec-

tion and growth plans. However, we do not anticipate that grants would be available for facility construction or rehabilitation.

Question 2. What type of compliance monitoring will be used? For how long? What repercussions would there be for plans/projects deemed out of compliance?

Response. The Department of the Interior is not seeking any new authorities for compliance requirements. The Land and Water Conservation Fund (LWCF) is clear about compliance requirements. The Department anticipates that compliance will be monitored the same way that the traditional LWCF grants are monitored, grantees will need to comply with the terms of the grant in perpetuity. Communities can apply for conversion, with the approval of the Secretary and identification of equal and equivalent lands.

Question 3. For lands purchased for open space or wetlands, is public access to those lands ensured? Allowed? Are such lands purchased exclusively in willing buyer, willing seller situations?

Response. The specific operating plan of the conservation grants program would likely allow and ensure public access in a manner that does not degrade the purposes for which the grant was approved. Just as, under the traditional State-side of the LWCF, public access, broadly defined, is ensured and allowed. The criteria for selection of grants will be done in a public process. This program, as with the existing State-side LWCF grants, will make every effort to ensure, through the use of the open space planning requirements and the competitive grants process, that the lands purchased are from willing sellers, but it is not the intent to preempt local government zoning, open space, and conservation authorities.

STATEMENT OF ANDREW J. FALENDER EXECUTIVE DIRECTOR, APPALACHIAN MOUNTAIN CLUB

Mr. Chairman, Senators. thank you for the opportunity to testify today. My name is Andrew Falender and I am the Executive Director of the Appalachian Mountain Club. the nation's oldest conservation and recreation organization.

My testimony will focus on the park and open space funding provisions of four proposals currently before the Senate. These initiatives include S. 25, the Conservation and Reinvestment Act introduced by Senators Landrieu and Murkowski, S. 446, Permanent Protection for America is Resources 2000, sponsored by Senator Boxer, S. 532' the Public Land and Recreation Investment Act, introduced by Senator Feinstein, and the Lands Legacy Initiative, included in President Clinton's fiscal year 2000 budget proposal.

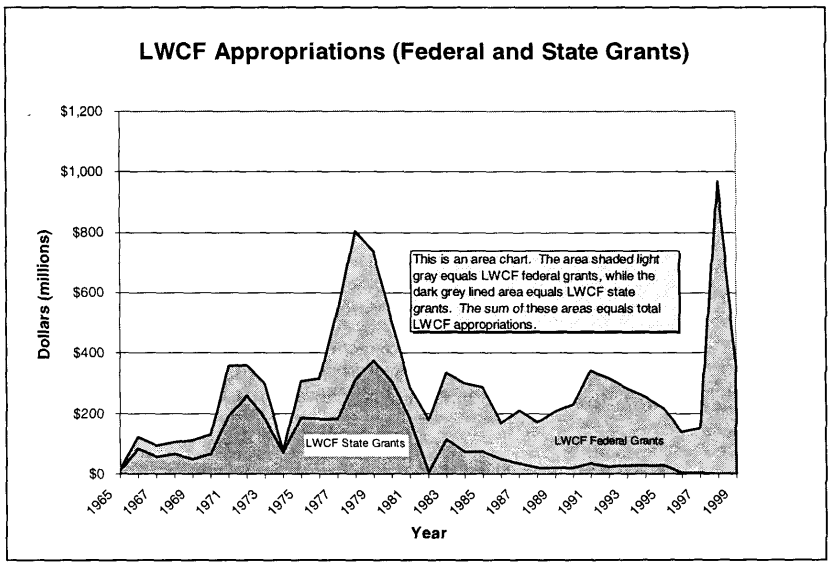
For over a century, the AMC has promoted the protection, wise use and enjoyment of the mountains, rivers, and trails of the Northeast. We work hard to involve our 82,000 members in caring for our nation's open spaces whether they sit on half an acre in the heart of the Bronx or vast wild areas like those found in the 26 million acre Northern Forest of Maine, New Hampshire, Vermont, and New York.

Land and Water Conservation Fund: A Legacy of Success

In our view, the work of conserving and caring for these special places must be a partnership that engages government, businesses, and nonprofit organizations. Federal funds and expertise are a critical element.of this partnership. Nowhere is this more apparent than in the thirty-year legacy of the Land and Water Conservation Fund (LWCF). LWCF has a proud record of preserving more than seven million acres of open spaces and places to recreate. It has been the tool for funding conservation of our national parks and forests, wildlife refuges, and historic sites. LWCF has also provided critical matching grants to more than 37,000 State projects like urban tot lots. ballfields, watersheds and bike paths. These successes were generated through bipartisan leadership and a true commitment to parks and open space.

Unfortunately, our national commitment to this important open space partnership has been shaky for more than a decade. Between 1987 and 1997 LWCF spending averaged $230 million or just 25 percent of the $900 million authorized to flow into the Fund from Outer Continental Shelf oil and gas leases. The average appropriation to the critical LWCF State grant program was $22 million over the same period. When you split this up over 50 States, it's not hard to see why the money doesn't begin to meet the need. (Figure I in my written testimony highlights this funding history.)

Figure 1



Thanks to strong bipartisan leadership from many in the Senate, LWCF funding jumped to $969 million in Fiscal Year 1998, only to fall again to $343 million in Fiscal Year 1999. Even with this spike in funding, the State grant program was essentially zeroed out. It is LWCF's legacy of success on the ground, combined with its spotty finding history that demonstrates the need to pass legislation that would fully and permanently fund the Land and Water Conservation Fund along with a few of its sister programs like Forest Legacy, and the Urban Parks and Recreation Recovery Program. If the number of open space bills making their way through the Senate and House are any indication, there are many here in Washington who share our view about the importance of restoring our nation's commitment to protecting open spaces through the passage of comprehensive bipartisan open space legislation.

Citizens Strongly Support Funding for Open Space Protection

You don't need to look far to see that the American people understand this need and are prepared to act. This November in 10 States, 25 counties, and over 150 towns, voters raised $4 billion for conservation of open space. Voters also approved another $3 billion for urban revitalization and smart-growth plans.

Americans voted for open space and enhanced community life all over the country: $700 million in Minnesota; $160 million in Jefferson County, Colorado; $50 million in Michigan; $62 million in Suffolk County, Long Island; and $1.5 Million alone in the little town of Bristol, Rhode Island.

With the vocal support of real estate interests, 15 Land Banks were created on Cape Cod. This happened because residents and businesses there know why people vacation on the Cape—for its charm and beautiful beaches. But there's no charm to unmanaged growth, and no beauty to overbuilt and polluted shorelines.

Closer by in Northern Virginia—where you see loss of open space as much as anywhere else—Arlington and Fairfax Counties approved almost a $100 million for open space and parks.

The most dramatic initiative happened in New Jersey, where Governor Christine Whitman championed a $1 billion commitment. Here's a State under rapid development pressure from industrial and suburban expansion. Here's a State unfairly known for its turnpike. But New Jersey is also a State full of beautiful pine barrens, rolling farmland, and enclaves like Sterling Forest just 30 minutes from New York City.

The lesson of New Jersey and other communities across the country is simple. Where our populations are booming, where our economy is dynamic—that's where open spaces are the most threatened and the most precious. To their credit, many

citizens in many States knew this. They woke up and spoke up. They voted against traffic jams, foul air, poor water quality and for healthier communities, urban parks, farmland, scenic vistas, protected forests, and open space buffers around watersheds.

The groups driving this effort across the Nation are as diverse as they get with Governors and mayors across the political spectrum, businesses, school boards, neighborhood groups and even real estate organizations joining the cause. They're working with environmentalists and community activists, producing consensus on open space protection and healthy, vibrant communities that you wouldn't have seen 10 years ago.

Essential Principles for Open Space Legislation

This diverse partnership should send a clear signal that the time is now to pass strong legislation for funding open space protection. We urge you to adopt the following principles as the basis for evaluating and modifying the open space funding bills circulating here in the Senate. These principles address the array of tools and funding levels needed to restore our nation's commitment to protecting open space and providing recreational opportunities for all Americans.

- Full and permanent funding of the Land and Water Conservation Fund (at least $900 million annually).
- An equitable allocation of LWCF funding for the program's Federal and State components, including the following elements:

1) 40 percent provided to the Federal side of the program ($360 million annually)

2) 40 percent provided to the state-grants program ($360 million annually)

3) 20 percent allocated to a competitive state-grants process for projects and lands of clear national significance to be allocated outside of the population-based formula ($180 million annually). This provision is essential to land protection in many regions of the country especially those in the East, like the Northern Forest (ME, NH, VT, NY) and Appalachian Highlands (CT, NY, NJ, PA) where there are large areas of clear national significance in States with small populations. Given the small number of Federal lands in these regions and the cultural interest in local and State involvement in land protection, there is a special need to provide competitive grants through the state-side program.

- Funding for the U.S. Forest Service, Forest Legacy Program at $50 million annually including $25 million per year for the Northern Forest region.
- Revived Urban Parks Recovery Program and Historic Preservation Fund, each funded at $150 million on a permanent annual basis.
- Funding for Wildlife Conservation at $350 million in permanent annual grants to States for habitat conservation and species protection.
- Fully and permanently fund the Payments in Lieu of Taxes Program (PILT). In 1998 full funding of PILT would costs $256 million.
- No new restrictions should be placed on the uses of land and water conservation funds especially those that would limit acquisition to Federal inholdings or adjacent lands, employ arbitrary geographic restrictions on the use of funds, or require new authorizations. In addition, any legislation must protect the traditional use of LWCF stateside funds for recreation enhancement.
- Legislation focused on restoring our nation's commitment to open space conservation and recreation opportunities through LWCF or other means should not allow funds to be used for environmentally damaging activities. In particular, new legislation should not include incentives for additional offshore oil or gas leasing, exploration, or development.

By applying these principles, we believe that Congress can create the full set of tools needed to successfully protect our environment and open spaces. This framework would continue the long tradition of working with willing sellers established through LWCF.

Analysis of Current Open Space Funding Proposals

We want to recognize and praise the momentum and interest in addressing the pressing need for additional open space funding. The number and variety of bills before the Senate and House of Representatives illustrates that many of our leaders are listening. Let me say thank you for providing the leadership needed to address this critical need.

I want to take a moment to examine each of the open space bills in relation to the principles I laid out earlier and I have brought along a chart that summarizes the key elements of each bill being considered by the Senate. (See Figure 2, attached at the end of in my written testimony.)

S. 25, the Conservation and Reinvestment Act

S. 25, the Conservation and Reinvestment Act, makes a significant commitment to open space funding. Unfortunately, the bill also has a number of critical shortfalls. In our view, Title I, which provides aid to States to mitigate the impact of Outer Continental Shelf (OCS) drilling, contains significant incentives for States to consider increased oil and gas drilling off their coast. The formula established in the bill for allocating OCS impact assistance allocates significantly more funds to States with active oil and gas leases.

Under Title I, coastal States would receive 27 percent of annual OCS revenue, which totaled $4.5 billion in 1998. There are 35 coastal States and territories in the United States, currently six have offshore oil drilling. The Minerals Management Service estimates that of the 29 States and territories with no offshore oil drilling, this bill would allocate $7 million or less to 12 of them annually and between $7 million and $50 million to 17 States annually. By contrast, estimates are that the six States with offshore oil drilling would receive between $70 and $350 million annually in OCS impact assistance.

For a State like Florida with existing oil reserves off its coast, the increase in revenue is estimated to go from $1.8 million under current law to $85.5 million under the Impact Aid provisions of S. 25.

The sheer size of the increase in impact aid creates a strong incentive for States to consider beginning or increasing drilling off their coast. This incentive is strengthened further through the design of the impact aid assistance formula which awards more impact assistance to States and localities as drilling activities move closer to the coast. If the geographic center of a leased tract for oil drilling is within 200 miles of a State's shoreline, 50 percent of the State's impact aid will be based on OCS oil or gas production off that State's coast. The closer drilling occurs to the shoreline, the more money the State will receive.

Title II of S. 25 contains provisions that change the way LWCF funds can be used. The bill limits LWCF Federal-side funding to the purchase of existing inholdings with exceptions only approved by an act of Congress. The bill also requires that two-thirds of all LWCF Federal side dollars be spent east of the State of Texas. This Title also caps appropriations for any single Federal or State grant project at $5 million. These constraints on the uses of LWCF funds restrict critical flexibility originally designed into LWCF. The $5 million spending cap combined with the provisions limiting Federal-side LWCF spending to inholdings and focusing spending east of the State of Texas won't only hurt the western States by diminishing a critical source of funding, they will also have the effect of blocking important projects in the east.

I also want to note that Title II would fund LWCF at only $680 million annually based on fiscal year 1998 OCS revenues. While this is a significant increase over LWCF funding in years past, it falls short of full funding for LWCF, which we believe is a critical element of any legislation.

In addition, Title II of S. 25 does not include language for providing LWCF grants to States on a competitive basis. The bill allocates all State grant funds based on a formula using land area and population. We recommend keeping this approach and complementing it by adding a provision similar to the one I outlined earlier that would allow States to compete for additional State grant money if they can demonstrate that their project lies within an area of national interest. This addition will address the difficulties faced by many small States, such as Rhode Island and New Hampshire, that do not receive appreciable funding through the LWCF State grant formula.

Finally, we would like to see permanent annual funding for the Forest Legacy Program and Historic Preservation Fund added to the Conservation and Reinvestment Act.

S. 446, Permanent Protection for America's Resources 2000

S. 446, Permanent Protection forAmerica's Resources 2000 avoids many of the pitfalls contained in the Conservation and Reinvestment Act. It does not contain incentives for increased oil and gas drilling and fully and permanently funds the Land and Water Conservation Fund, Historic Preservation Fund, Forest Legacy Program, and wildlife conservation along with several other programs.

The bill is clearly focused on environmental protection and open space conservation. It meets the majority of the principles I discussed earlier with two minor exceptions.

The bill funds UPARR at $100 million instead of our recommended full funding amount of $150 million annually. We urge Senator Boxer to consider increasing this funding level to respond to the clear input from mayors laid out in their December 16, 1998, U.S. Conference of Mayors letter to President Clinton supporting full funding of LWCF and its urban sister program, UPARR.

S. 446 also takes a different approach to establishing a competitive State grant program under LWCF. The approach I outlined that would take 20 percent of the total LWCF annual allocation and make it available for competitive State grants would provide $180 million annually for competitive State grants. S. 446 would allocate only $150 million annually. We applaud the bill's sponsors for including a competitive State grant provision and urge them to consider increasing the annual allocation to this provision by $30 million. Taking this step would increase the percentage of total LWCF funds available for State grants from 50 percent ($450 million) to 60 percent ($540 million).

This bill faces the challenge of not having bipartisan support at this time. As the bill's sponsors know, it will be essential to build bipartisan support behind this legislation. We urge you to continue to reach across the aisle and engage your fellow Senators in the bipartisan dialog and initiative that made LWCF successful for so many years.

S. 532, Public Land and Recreation InvestmentAct This legislation has a narrower focus than S. 25 and S. 446. It provides $900 million annually to fund LWCF and UPARR, but does not include funding for wildlife conservation, the Historic Preservation Fund, or Forest Legacy. While we strongly support full funding of LWCF, we would like to see the bill address the full array of programmatic tools outlined in our principles. These tools each have a different focus and use and all are necessary to do an adequate job of restoring our nation's commitment to open space protection. In addition, we are concerned that funding for UPARR at $90 million annually is allocated out of the $900 million originally authorized for LWCF. We urge Senator Feinstein to consider allocating the full $900 million to LWCF in the manner described in our principles including a provision for competitive State grants. Funding for UPARR should not be taken out of the LWCF allocation, but funded separately through OCS revenues.

Lands Legacy Initiative President Clinton's budget contains the Lands Legacy Initiative. We are happy to see the Clinton Administration express support for open space protection through this initiative and eager to have Congress and the Administration work together to refine legislation that will permanently fund the full array of open space needs faced across this nation. As these discussions take place over the coming months we encourage the Administration to make several modifications to their proposal. The most important change involves a shift from the current 1-year budget approach to a permanent legislative approach taken by each of the bills I have touched on today. We also feel strongly that the President's initiative should fully fund LWCF at $900 million with 60 percent reserved for LWCF State grants through the combined formula and competitive grant approach I have described this morning. The current proposal allocates $680 million to LWCF with $150 million for competitive State grants and $0 for State grants distributed through the existing State grant formula. The proposal also seriously underfunds UPARR at $4 million and does not provide any funds to States for wildlife conservation.

The Administration has recently endorsed a series of principles to guide their involvement in refining open space protection legislation. These principles are strong and quite similar in many respects to the principles I laid out earlier. We applaud the President's willingness to endorse these principles and urge the Administration to work closely with both parties on Capitol Hill to enact legislation that will put these principles into action.

Thank you very much for the opportunity to testify today and for your leadership in revitalizing our nation's commitment to open space funding. We look forward to working with you on this issue in the future.

FEDERAL CONSERVATION FUNDING PROPOSALS

	FY1999 Budget	**Clinton's FY2000 Budget**	Landrieu/ Murkowski **(S. 25)**	**Young/ Dingell (H.R. 701)**	**Miller/ Boxer (S. 446)**	Feinstein **(S. 532)**
LWCF Federal[1]	$343 M	$442 M	$340 M	$383 M	$450 M	$450 M
LWCF- State[2]	$1 M	$150 M	$340 M	$383 M	$450 M	$360 M
UPARR	$0	$4 M	$73.4 M	$144 M	$100 M	$90 M
Forest Legacy	$7 M	$50 M	$0	$0	??	$0
Historic Preservation	$72 M	$81 M	$0	$0	$150 M	$0
Federal Lands Restoration	$0	$0	$0	$0	$250 M	$0
Endangered & Threatened Species Recovery	$14 M	$80 M	$0	$0	$100 M	$0
Marine Resources	$64 M	$164 M	$0	$0	$300 M	$0
State Fish & Wildlife Conservation	$0	$0	$321 M	$449 M	$350 M	
Farm, Forest, & Rangeland Conserv.	$38 M	$100 M	$0	$0	$150 M	$0
OCS Impact Asst.	$0	$0	$1.24 B	$1.24 B	$0	$0
New Drilling Incentives[3]	No	No	Yes	Yes, but less strong than S. 25	No	No
Competitive LWCF State Grant Provision[4]	No	Yes	No	No	Yes	No
Bipartisan	N/A	No	Yes	Yes	No	No
TOTALS	**$518 M**	**$1.07 B**	**$2.314 B**	**$2.599 B**	**$2.30 B**	**$900 M**

[1] The Young /Dingell bill and Murkowski/Landrieu bill both change the way LWCF dollars can be used. Both bills limit federal-side dollars to the purchase of existing inholdings with exceptions only approved by an act of Congress. The bills also require that two-thirds of LWCF federal side dollars be spent east of the state of Texas and both bills appropriations for any single federal or state grant project. ($1 million cap in House bill and $5 million cap in Senate bill).

[2] The Clinton Administration proposal does not allow LWCF state grants to be spent on recreation projects.

[3] States and municipalities that increase production of Outer Continental Shelf Resources would see more Impact Aid. Unlike the Landrieu-Murkowski Bill, the Young-Dingell Bill excludes areas currently under any drilling moratoria from the Impact Aid formula.

[4] The Clinton Proposal would award all LWCF state grants on a competitive basis ($150M). This proposal also includes an additional $50 million for state open space planning. The Miller/Boxer bill allocates $450 million annually to LWCF state grants. Two-thirds of these grants ($300 M annually) would be awarded by a formula based partially state population and land area. One third ($150 M annually) would be awarded through a competitive grant process.

RESPONSES BY ANDREW FALENDER TO ADDITIONAL QUESTIONS FROM SENATOR BOXER

May 10, 1999

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
415 Hart Senate Office Building
U.S. Senate
Washington, DC 20510–6175

DEAR SENATORS: Thank you for the opportunity to reply to Senator Boxer's question regarding the need to acquire new public land given the current backlog of maintenance on our existing national lands. I do believe that it is critical for our nation to continue and, in fact, increase our investment in open space protection. Americans across the country are feeling the pressure of increased development and a growing population. This pressure is leading to loss of farmland, forests, parks and habitat. Investments made in protected open space today ensure that our children will-have places to play, that wildlife will thrive, and that our ecosystems will continue to provide the critical role of clearing our water and air. While the current maintenance backlog in our national parks, wildlife refuges and forests must be addressed, this should not be accomplished at the expense of investments in open

space protection. If we ignore the need for funding to acquire critical lands today we will be shortchanging future generations as many of these special places are lost forever to development or other pressures.

The public demonstrated their support for significant investment in open space protection in last November's elections. Of the more than 200 open space ballot initiatives put before voters, 70 percent passed, making more than $7 billion available for open space protection. The nation's Governors and mayors have joined with the public in calling for increased open space protection dollars and have strongly endorsed full funding of LWCF with an equitable allocation to the state grant program. Regions like the Northern Forest of Maine, New Hampshire, Vermont, and New York and the Highlands of Pennsylvania, New Jersey, New York and Connecticut desperately need LWCF funds to prevent loss of farm and forest land to development and to guarantee recreational access for future generations.

The state grant program is especially important in the Northeast. When Congress created LWCF in 1964, a promise was made to the American people to work with the states to meet state, local and community conservation needs. This matching grant program proved to be cost-effective and efficient: tens of thousands of projects ranging from town ballfields to state forests have been protected through leveraged investments maximizing the impact of scarce Federal dollars. However, since the mid-1980's, state-side LWCF funding has withered from a trickle to absolutely zero Finding since fiscal year 1995. The result is a huge-backlog.of recreational, cultural, and community projects just as population pressures are putting our nation's resources most at risk.

As the Northeast's population grows, increasing pressure is building on our remaining forestland and open space in the Northern Forest and Highlands regions. This trend threatens our ability to count on the land for jobs, outdoor recreation, wildlife habitat and scenic beauty. The need for LWCF funds in the Northern Forest and the Highlands has never been greater.

Thank you for the opportunity to respond to Senator Boxer's question. Please do not hesitance to contact me with additional inquiries.

Sincerely,

ANDREW J. FALENDER.

STATEMENT OF CHRIS MONTAGUE, EASTERN MANAGER, MONTANA LAND RELIANCE

Mr. Chairman, on behalf of the Montana Land Reliance, we thank you and the committee for the opportunity to speak on issues related to preserving and protecting our nation's open space. Our special thanks, as well, to Senator Baucus for extending us the invitation today. I hope my testimony today will not only give the committee additional ideas as it debates how to protect open space, but also will give it a western perspective on these issues.

I would first like to give the committee a brief introduction to the Montana Land Reliance. Founded in 1978, we are a privately funded, nonprofit land trust that utilizes donated conservation easements and other tools to permanently protect Montana's private lands. With the help of 324 landowners, we have been able to protect just over 322,000 acres of private land in Montana. This represents roughly 20 percent of all protected land by local, State and/or regional land trusts across the United States. Within that acreage we have permanently protected 620 miles of stream and river frontage, over 116,000 acres of elk habitat, over 5,200 acres of wetlands and over 131,000 acres in the Greater Yellowstone Ecosystem. Again, all of this protection has been completed with private conservation easements. And our customer base is typically ranchers and farmers.

The private landowners that make up our customer-base are facing incredible economic and estate pressures to develop their land. A vast majority are what we call "land rich, but cash poor." They typically own a tremendous resource that they cannot afford to keep.

Although the following statistics are Montana-specific, as you are all aware, these issues and problems are not inherent to our State. In 1970, Montana had fewer than 700,000 residents. By 1995, the State's population had risen to just over 870,000 and is projected to top one million by the year 2000 or 2001. At first glance I realize this does not seem to be an overwhelming amount of growth. However, this growth has not been evenly dispersed across the State. Certain areas, especially those around designated wilderness areas and along riparian zones are undergoing population increases as high as 25 percent. In other words, people are moving into the prettiest places they can find. And these places are usually the ones that are the most fragile or are our most productive agricultural lands.

For example, the amount of land in agriculture declined by more than three million acres between 1974 and 1994 and the number of farms and ranches has declines by more than 11 percent in the same time period. In Montana, over the 10 year period between 1983 and 1993, 11,000 subdivision proposals were reviewed by State and county government. These numbers do not include 20 acre or larger parcels, which until 1993, required no subdivision review. And that type of development skyrocketed during that period and is still high today.

Most counties view rural subdivision development as a positive economic influence on their communities. Interestingly, however, a study done by Montana State University and the Greater Yellowstone Coalition found that for every dollar of revenue raised from new rural residential property, the county government and school districts spent $1.47 for roads, public education, police and fire protection and other services. Conversely, agricultural land and open space required only 25 cents worth of service for every dollar it contributes.

Simultaneously, land values in Montana and the West have risen dramatically. Recent news accounts in Montana show 10-year property tax appraisal increases averaging 43 percent! The economic pressures to convert open and agricultural land to residential property has intensified significantly in certain areas of Montana, and, I think it's safe to say, throughout the West.

The good news is that Montana leads the way in private land protection through conservation easement. As of 1997, Montana had permanently protected over 670,000 acres. The bad news is that this represents only about 1 percent of the 55 million acres in private ownership in the State. And the average age of these owners is 59 lid. Over the estimated 20 year period this amount was protected well over 3 million acres left agricultural production or open space and have either been developed or are headed that way. In the next 10 to 15 years, given the average age of ownership of private lands in Montana, we are going to see a huge turnover in land. Depending on the tools available to the conservation and trust community much of this land will be threatened. Currently, the battle to protect open space in Montana is being lost at a rage of roughly 5 to one and in some regions, by a margin of 8 to 1.

So, what does all this mean? Why should anyone be concerned about a place or a region that has so much land and open space? For several reasons, the most important being that Montana and, generally, the West, has a unique opportunity to make a difference before it's really too late. Before we lose all of our most precious agricultural land, river frontage, fisheries, habitat and open space. We are not here today to say that development and growth are evil. They are not. We are here today to ask as you debate these issues that you give the private land trust community the additional tools to compete and fight against inappropriate development. Give us the added strength to give our farmers, ranchers and private landowners more options to subdivision as an economic way out.

The initiatives and ideas we present today will, we believe, substantially help in protecting the open lands of our heritage. Should these additional tools be made available, we are confident, based on our work last year, that we could immediately double and, over the next few years, triple our conservation output each year.

All of these additional tools could be easily added to the current construct of conservation easement law, or 170(h) of the Tax Code. These ideas are simple and private and if made quickly will, we believe, have an immediate, positive impact on private land conservation in this country.

First, a majority of our customers cannot use the income tax deduction benefit associated with the donation of a conservation easement. We are fast becoming a tool only the very wealthy can use. We propose a tax credit of between $50,000 and $1000,000 if the landowner did not have the means to use the deduction. We would proposes that to qualify for this tax credit, 50 percent of the landowner's total income be derived from agriculture.

Second, allow the same deductibility for C-corporations as for all other forms of business. Currently, a ranch in a C-corp structure may only deduct 10 percent of net income as opposed to 30 percent for all other types of ownership. We feel this tool alone would have allowed us to protect and additional 20,000–30,000 acres in Montana last year.

Third, the Congress in 1997 wisely increased the Unified Tax Credit and, particularly with conservation easements, gave additional estate tax relief if the landowner lived within a 25 mile radius of a metropolitan (defined as a county with 50,000 or more residents) or wilderness area. This boundary should be larger to not only to give us added tools for land farther out but to also reward the landowner who is willing to protect his or her land.

Any public moneys raised for conservation easements should be matched funds to allow the government's money to go farther and do more conservation. We would recommend a 2 to 1 match.

Furthering land conservation is the right thing to do. We applaud the committee for its role and eventual action. Landowners, generally, are also interested in doing the right thing. They don't want to chop up their land, but we need to be able to offer them reasons not to when they are faced with huge economic and estate tax pressures. We need to be able to compete in that atmosphere. We need to be able to compete with rural developers. We have a great opportunity, especially in the West, to make a major impact on land and open space conservation. I hope we will be given the tools to do just that. Thank you Mr. Chairman and members of the committee.

STATEMENT OF OF MAX PETERSON, EXECUTIVE VICE PRESIDENT, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Thank you, Mr. Chairman. My name is Max Peterson, Executive Vice-President of the International Association of Fish and Wildlife Agencies. As you know, all 50 State fish and wildlife agencies are members of the Association. I appreciate the opportunity to appear before you today to discuss open space, community health, and environmental quality and to express the strong support of the Association for S. 25, the Conservation and Reinvestment Act.

The Association sincerely appreciates the efforts of Sen. Landrieu, Sen. Murkowski, Sen. Lott, Sen. Breaux and the other cosponsors, in bringing this far-sighted conservation proposal to the table, which will provide consistent and dedicated funds to the States to conserve our fish and wildlife resources, provide for the protection and restoration of our coastal habitats and living resources, fund land and water conservation activities at all levels of government, and provide much needed recreational opportunities for our citizens, thus resulting in economic growth to our communities.

The Association is also encouraged that Sen. Boxer and others have recognized many of these same needs in introducing S. 446, the Resources 2000 Act. We do have concerns about the focus, legislative construct, and funding levels in S. 446 which I will share with you later in my testimony. Finally, we appreciate President Clinton's initiative (Land's Legacy Initiative) and his commitment to work with Congress to bring these programs under permanent, indefinite appropriation. We are disappointed and concerned, however, that the Administration's initiative is deficient in not providing wildlife funding to the States, and will address that later. As you know, the need in the States for wildlife programs reflected by the various proposals are significant, they enjoy widespread public support, and our children and their children will thank us for the commitment we make to ensure the conservation and vitality of America's natural resources. Without a program to address the vast array of species through a prevention approach, the result will simply be more and more species declining to the point of being threatened or endangered.

The Association, founded in 1902, is a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife agencies of the States, provinces, and Federal Governments of the U.S., Canada, and Mexico. All 50 States are members. The Association has been a key organization in promoting sound resource management and strengthening Federal, State, and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest.

Mr. Chairman, as you know, community health, environmental quality, and fish and wildlife health go hand-in-hand, since we all share the same habitat and depend on the same land, air, and water for our sustenance. We believe the dedication to ensuring the conservation of fish and wildlife resources and their habitats at the State and local level will help ensure the quality of life for our communities. Open space not only provides for fish and wildlife habitat, but for people to enjoy, appreciate, and learn about fish and wildlife and their needs. Our State fish and wildlife agencies are dedicated to working with the appropriate State, county/local and appropriate Federal Government agencies to facilitate smart growth, the antidote to urban sprawl.

Let me cite one example. A little more than 2 hours from Washington, DC, our State fish and wildlife agency is working cooperatively with other public and private organizations to protect not only globally significant wetland and wildlife habitat, but also contributing to the quality of life for the citizens of the area, through facilitating enlightened land use planning decisions, providing technical information and

assistance to landowners in conserving habitat, etc. The area to which I refer is the Delaware Bay and Cape May Peninsula, New Jersey.

The Delaware Bay and Cape May Peninsula are among the most important migratory bird stopover areas in the world. The reasons are numerous:

- The fall flight of migratory birds through Cape May not only includes over 150 species of passerines and 21 species of raptors, but also woodcock and over 30 species of migratory butterflies and dragonflies.
- The spring stopover of shorebirds through the Delaware Bay, one of the top three in the world, includes over 15 species, some making round trip flights of over 20,000 miles.
- Both fall and spring migrants gain weight while stopping ova in this coastal habitat and this weight can be crucial to the success of their migration. Shorebirds double their body weight before flying nonstop to arctic breeding grounds. The primary resource is horseshoe crab eggs and the bay is the only place in the world where crabs occur in sufficient number to produce enough eggs for birds to gain more than 3–5 percent of their body weight/day.
- The Cape May peninsula and the Delaware Bay is one of the most popular nature-based destinations in the country. An estimated $30 million in the fall and an estimated $5-$10 million in the spring are spent each year by visiting birders alone.
- The wide diversity of bird species requires a wide array of habitats, distributed over a large part of the bayshore and peninsula. In other words, the birds require a functioning ecosystem right in the very heart of the New York-Washington coastal megalopolis.

A major portion of the U.S. human population, nearly 15 percent, is within a 3-hour drive of this area. This adds incredible pressure in almost all areas of potential impact: land development, disturbance, contamination, and catastrophic oil spills. But if we are to protect this stopover habitat, we must also conserve the ecosystem in which these habitats occur.

In consequence, the bay and peninsula have been the subject of numerous protection attempts. In the last 15 years we have seen nearly every major national program play some role in protection. The bay has been designated a RAMSAR site, a WEAN Hemispheric site, an EPA Estuary of National Significance, and a TNC Last Great Place, to name a few. It has been ranked near the top of several land acquisition programs including the Land and Water Conservation Fund program, a North American Waterfowl Management Plan Joint Venture, as well as the New Jersey State Green Acres Program. The areas include four National Wildlife Refuges including the recent Cape May National Wildlife Refuge, three different wild and scenic rivers (two sections of the river and one tributary), many State Wildlife Management Areas on both sides, and a large number of parcels held by private conservation organizations.

Yet despite this extraordinary protection, there are dear signs of major needs for these wildlife species that remain unsatisfied. The fall migration is threatened because nearly 40 percent of all migratory bird habitat has been lost between 1972 and 1992, the period of greatest protection activity.

These habitats can only be conserved with a significant increase in efforts and programs directed at the problems which results in habitat loss. The New Jersey Division of Fish, Game and Wildlife has piloted a number of projects using funds from private foundations and mitigation agreements that with stable and significant funding can lead to permanent of these globally significant habitats.

These pilot projects suggest the conservation of both the spring and fall flight of migratory birds can be accomplished with new programs aimed at an increased involvement of citizens, municipal and local governments, and an additional emphasis by State fish and wildlife and land management agencies.

Detailed mapping of significant wildlife habitat areas can be made widely available, and characterized not only as key habitat for wildlife, but as indicators of our community quality of life. These maps can be based on satellite imagery and could be redone regularly to provide feedback to community organizations on the real impact of the conservation of these habitats.

This regional scale mapping can be used to facilitate the coordination of State and Federal level activities that include consideration of migratory birds such as land agreements, easements or acquisition, and application of conservation and habitat management programs. This is just one of hundreds of examples where open space, smart growth and the needs of wildlife can and must be seen as complementary activities.

At the county and municipal level, State fish and wildlife agencies can assist land use planners in the development of land use ordinances that reduce impact to migratory birds and recommend zoning classifications to protect areas of greatest importance. This could include, for example, recommending small but significant

changes to the minimum amounts of land cleared for each new house or the width of setbacks for roads and property.

At the private landowner level, State fish and wildlife agencies can affect habitat in several ways. For large private landholdings, the agencies can develop non-regulatory, incentive based management plans that protect bird habitat while still achieving landowners' goals. To encourage protection, the plans would take advantage of existing financial incentives from other agencies such as farmland conservation programs under the Federal farm bill and other State and Federal programs. Landowners of key wildlife habitat can also be referred to programs of conservation easements, or purchase of development rights or land acquisition if they are interested in long-term conservation. These owner-friendly programs have worked quite well to keep open space and provide important wildlife habitat.

Backyard habitat for migratory birds can also be created or enhanced by working with individual homeowners. Our agencies can work with developments that are adjacent to important habitat areas and several have created State programs to certify backyard wildlife habitat. State fish and wildlife agencies can also work with developers to certify entire new developments as migratory bird sanctuaries. Working with homeowners has the additional benefit of creating habitat in areas where much habitat has already been lost, namely housing developments.

All of these efforts require a consistent dedicated funding source to enhance State-based wildlife conservation, conservation education and wildlife associated recreation. The Association believes that S. 25, and its House companion H.R. 701, will provide the funds and the flexibility to the States to accomplish these goals. As you know, the need for a State like New Jersey, which I just described, is much different than a western State that has millions of acres of public land where the challenge may be to better understand the thermal cover needs of wildlife during cold winters and encourage planting of shrubs and evergreen trees for winter shelter in key areas.

Mr. Chairman, I know that you are well aware of the longstanding commitment and priority of the Association to secure the necessary funds so that the State fish and wildlife agencies can address the needs of all fish and wildlife species in their States, including conservation education and wildlife associated recreation needs. As you know, the States have principal and broad authorities for the conservation of fish and resident wildlife within their borders, even on most public lands. Congress has given the Federal executive branch agencies (USFWS and NMFS)certain statutory conservation obligations and responsibilities for migratory birds, anadromous fish and listed threatened and endangered species, but this responsibility remains concurrent with State jurisdiction. As Secretary Babbitt once remarked before this committee, States are the front-line managers of fish and wildlife within their borders.

You are also well aware of the long history and strong commitment of support for funding State fish and wildlife programs by the sportsmen and women of this country through their purchase of hunting and fishing licenses, and contributions from excise taxes they pay on sporting arms and ammunition, fishing tackle and other equipment, import duties on fishing tackle and pleasure boats, and gasoline excise taxes on outboard motor and small engine fuels. These funds are apportioned to the States under permanent appropriation in the form of matching grants under the Pittman-Robertson Act of 1937 and the Dingell-Johnson/Wallop-Breaux Act of 1950 and 1984, respectively. These license and excise tax funds are the principal source of funds for State fish and wildlife programs. Our successes under this legislation are well known from restoration of white-tailed deer and pronghorn antelope to wild turkey and wood duck and striped bass. There have been corollary benefits to species other than those that are hunted and fished, from the conservation of habitat, etc. However, there simply have not been either sufficient or dedicated funds for the State fish and wildlife agencies to adequately address the conservation needs of so called "nongame" species, which constitute approximately 90 percent (over 2000 species) of the vertebrate species in the United States. S. 25 will position the State fish and wildlife agencies to duplicate the tried and true success of the Pittman-Robertson and Wallop-Breaux programs with species such as the cerulean warbler, bluebirds, loggerhead shrike, American goldfinch, bog turtle, and species of frogs and salamanders that are declining. Responding to early warning signs of decline in these species by addressing life needs and habitat requirements through cooperative nonregulatory programs with private landowners will not only conserve the species but also help avoid the social and economic disruption associated with listing species as threatened or endangered. Most threatened and endangered species come from this universe of so called nongame species, which makes sense if you think about it, because we have not had adequate funds to address these nongame species needs, whereas we have had the funds for game and sportfish species con-

servation. The more we know about declining species the quicker we can respond with a broad array of incentive-based, non-regulatory programs that gives us maximum flexibility in working with the landowners to allow them to meet both their land management objectives and fish and wildlife conservation objectives. This preventative conservation approach just makes good biological sense and good economic sense.

Seven years ago when the Association made a commitment to secure funding for comprehensive wildlife programs in the States, we began to enlist a support coalition that has now grown to over 3000 conservation, business and other organizations. Our "Teaming With Wildlife" initiative, as we called this endeavor, built up tremendous grassroots support around a funding mechanism patterned after Pittman-Robertson and Wallop-Breaux that would extend existing excise taxes on sporting arms, ammunition and fishing equipment to other outdoor recreational gear at a very modest level. However, this user-fee approach did not gain the bipartisan political support in Congress needed for success. There was broad bipartisan recognition of the need for these funds and the merits of the proposed State based wildlife conservation, conservation education and wildlife-associated recreation programs, but not for the funding mechanism. S. 25 has married these needs with those of coastal habitat and living resource conservation, and a recommitment of Congress to funding the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Act, all from a portion of revenues from gas and oil leases and royalties from the Outer Continental Shelf. We particularly appreciate that S. 25 addresses funding to all of these needs at the State level.

Before I comment on S. 25, S. 446 and the Administration's initiative specifically, let me summarize again for you the needs in the States for wildlife conservation, conservation education and wildlife associated recreation.

- More than 90 percent of the funds that States have for wildlife comes directly from anglers and hunter which means that less than 10 percent of State fish and wildlife agency funding is for the conservation of 86 percent of our nation's nongame wildlife species. State agencies have barely enough funding from established game species funding sources to support vital conservation programs. While wildlife budgets for all 50 States add up to approximately $1 billion annually, nongame funded programs, lacking a similar dedicated funding source, have many unsatisfied needs. Thirty-two States operate nongame conservation, recreation, and education programs on less than 5 percent of their fish and wildlife budgets. S. 25 will provide the States with the funds to achieve preventative conservation through collecting good information (from fish and wildlife surveys and inventories), implementing appropriate management and habitat conservation endeavors, and retaining the State fish and wildlife agencies ability to work with greater flexibility with private landowners in a non-regulatory, incentive based manna.
- Dwindling fish and wildlife species and habitat directly affect some of the fastest growing forms of outdoor recreation. Wildlife viewing is the number one outdoor activity in the United States and has become a billion-dollar industry. Hiking participation has rise 93 percent and camping 73 percent in the past 12 years. Nature-based tourism is escalating at a higher rate than any other segment of tourism worldwide.
- Impressive participation statistics translate into billions of dollars of economic activity each year:
- Wildlife watchers spent $29 billion in State and local economies during 1996, a 39 percent increase ova 1991 spading, according to the latest U.S. Fish and Wildlife Service survey.
- Watchable wildlife recreation supports $22.7 billion in salary and wages and more than one million jobs.
- A documented upswelling of interest in conservation education programs is both good news and represents a challenge as State fish and wildlife agencies are hard-pressed to keep up with the public demand for technical assistance for private landowners, developers and local governments, informational materials on wildlife, landscaping for wildlife, and requests on where to view wildlife. Innovative wildlife education programs enjoy positive responses, but often lack sufficient funding. Funds under the Conservation and Reinvestmant Act will enable all 50 States to support increased recreation and education participation. Local communities will benefit from increased tourism. Nature tourists will extend their stay an extra day or two if they discover more wildlife watching opportunities during their visit. Finally, a caring citizenry is essential to the success of all wildlife conservation efforts and maintaining the natural systems that support us.

The Association estimates $1 billion or more in additional funding needs annually for all 50 States for these programs. However, even a half billion dollars will have a significant positive benefit for 2,000 nongame species, as well as benefit many

other species as well. Game and nongame species share the same habitat and both usually benefit from conservation efforts such as restoring wetlands, stream rehabilitation or habitat restoration.

Funding State conservation, recreation and education efforts together makes economic and social sense. To sustain the growth in nature-based tourism and outdoor recreation requires an investment in our nation's wildlife and land and water base. Particularly, opportunities dose to urban and rural communities for fishing, hiking, wildlife viewing and outdoor recreation programs are becoming increasingly important for families and communities. Enhanced conservation education efforts will facilitate better-informed citizens and assure a high quality of life for people and wildlife.

S. 25 will provide the appropriate funds to the States to satisfy these very vital needs.

Mr. Chairman, here are the reasons the Association strongly supports S. 25 and believes it will help meet open space and quality of life goals for millions of Americans while contributing to conservation, conservation education and wildlife related recreation programs.

- S. 25 recommits the United States to a policy of dedicating revenues from the use of non-renewable resources into securing the status of living renewable resources, conserving land and water resources, and providing recreational opportunities for our cities and local communities, through a permanent, indefinite appropriation to fund state-based programs. We are working closely with bill sponsors to fine-tune the language in S. 25 which addresses the question of whether any of these revenues could be a potential incentive to States to encourage more drilling. The sponsor's goal is to ensure that no incentive is in the bill and that with regards to drilling in OCS waters, the bill is "drilling neutral".
- S. 25 builds on the support the States have relied on for decades from our Nation's hunters and anglers to finance State fish and wildlife programs by broadening this funding support to a permanent indefinite appropriation from a general revenue source, the leases and royalties on Outa Continual Shelf gas and oil extraction. We support the use of the very successful Pittman-Robatson Act as the means of apportioning the funds to the States under a separate subaccount, to be used for the purposes of enhanced comprehensive fish and wildlife conservation, conservation education, and wildlife associated recreation programs. This is a proven, efficient system.
- S. 25 will permit the States to avoid the economic and social disruption from listing species as endangered by taking preventative conservation measures early on to address life needs and habitat requirements of declining fish and wildlife species before they reach a level where listing is necessary to protect sham.
- S. 25 focuses decisions on spending priorities at the local (not Washington) level, where States and communities are in the best position to know what those needs and priorities are. We must facilitate local identification of issues and problem solving, not top-down prescriptive solutions.
- S. 25 allows States to work with private landowners in a non-regulatory, incentive-based manner to achieve their land management objectives consistent with good conservation for fish and wildlife species.
- S. 25 allows and positions local communities to take best advantage of robust fish and wildlife populations through nature-based tourism opportunities (bird watching tours, hiking tours to natural vistas, etc.) thus providing local economic support to those communities.
- S. 25 builds on our citizens' strong sense of stewardship about their land by making them a part of the problem solving and implementation of solutions.
- Through ensuring the conservation of good habitat for fish and wildlife, the programs funded by S. 25 will ensure the quality of life for our citizens and future generations, since we all rely on the same life support systems.
- S. 25, in addition to wildlife programs, will provide funds for coastal restoration and enhancement programs, wetlands restoration, coastal zone management efforts, and environmental remediation from the impacts of on-shore landing of OCS gas and oil, through the proper location, placement and mitigation of pipelines, roads, and other infrastructures needs.
- S. 25 restores certainty to the stateside aspect of the Land and Wata Conservation Fund program so that conservation and recreation projects of highest State and local priority are satisfied.

Let me now comment on S. 446, the Resources 2000 Act. The Association is Encouraged that S. 446 has a title that contains provisions for funding to the States for state-based enhanced wildlife conservation. We are also encouraged that S. 446 seeks to use certain OCS revenues under a permanent, indefinite appropriation.

However, we do have several serious concerns about some specific provisions of S. 446. First, the OCS source funds in S. 446 are limited to only royalties and revenues from wells in Western and central Gulf of Mexico OCS waters that are producing as of January 1, 1999. We understand that this is the bill sponsors' way of Assuring that this bill is in no way a potential incentive to encourage further OCS drilling, and even though further (after January 1, 1999) OCS exploration and drilling will continue both within and outside of these areas, none of the revenues will go to fund the programs under this bill, rather, they will be deposited in the Federal treasury. The consequence of the S. 446 language would be very self-limiting and guarantee substantial reductions over time in the amount of money available to fund conservation efforts. We believe that the price and supply of oil and natural gas (and not the portal for grants to the States) is the driving deeming of new exploration and drilling, which is corroborated in the recent Congressional Research Service report on OCS Oil and Gas Leasing and Revenue gB10005, January 1999).

Our second concern is that the native fish and wildlife conservation and restoration title in S. 446 amends the 1980 Fish and Wildlife Conservation (Federal nongame) Act, instead of Pittman-Robertson, and makes $100–350 million available to the States for native fish and wildlife conservation starting with $100 million and ramping up over 6 years to $350 million. The amendments to the 1980 Act replace the existing "nongame fish and wildlife" language everywhere with "native fish and wildlife", and add an additional purpose to preserve biological diversity by mainlining an assemblage of native fish and wildlife species. The definition of native fish and wildlife could be a significant problem because it includes only species that currently or historically occur in an ecosystem, and are not there as a result of introduction. It also gives the Secretary of the Interior final decision authority as to what is a native species. It is virtually impossible to substantiate the origin of many of our indigenous fish species and this definition could exclude spending money which would be beneficial to salmon restoration, for example. Further, many fish species firmly established in our Potomac River drainage, such as the smallmouth and largemouth bass, channel catfish, rock bass, and several species of sunfish, were introduced many years ago from other parts of the country. No one really knows the origins of other species. Also, the restoration of the Forum peregrine falcon was from a captive-bred source of hybrid North American-European-African peregrine falcons, which under this definition in S. 446, would not be eligible for funding conservation activities therefore. It is not at ad clear whether a project which would benefit native species plus other species of uncertain origin would be eligible for funding. We doubt that "native" is a workable legal definition because there are hundreds of species whose status as native is uncertain and it is virtually impossible in many cases to carry out a project which would not benefit some non-native species.

Our third concern with this title of S. 446 is that, while the elaborate and rather prescriptive planning requirements in the 1980 Act may have been appropriate in 1980, most States have already recognized the need to look comprehensively at the resource base, habitat availability, land use activities, and user demand in their State, and have prepared a strategic plan for the fish and wildlife resources in their State, after due and appropriate public review and participation. We believe that the States do not need to be legislatively directed to do more planning, but are ready and prepared now to spend money on the ground to address conservation needs. Some have responded to these concerts of ours by suggesting that if the States already have a plan, it should facilitate quick approval. Our concern is that with a fairly elaborate planning process requirement, if any entity disagrees with the Secretary's approval of the State plan, there are enough legal hooks to hang litigation on, which could cause significant delays in getting funds to the State for immediate on-the-ground conservation activities.

Our fourth concern with this title of S. 446 is the availability of funds, which start at $100 million and are ramped up to $350 million over 6 years. We know that our needs are much greater than even $350 million, and conclude that $100 million is simply not adequate to address those needs. Funding commensurate with the States' significant needs should be available from the startup, as we have outlined earlier in this statement.

Our final concern with this title in S. 446 is that the 1980 Fish and Wildlife Conservation Act does not authorize funding for either conservation education or wildlife associated recreation. We have earlier stressed the needs in these two arenas also, and are disappointed that no funds are made available for those purposes in S. 446.

Mr. Chairman, before I close, let me briefly comment on the Administration's Land Legacy Initiative. At this point we have little information on the specifics of the components of that proposal. We have seen only a summary of programs and

dollars at this point. There are good proposals in this initiative which can contribute to conserving open space, and enhancing community health through improving environmental quality. Yw have heard about those from others who have testified today. The Administration's initiative does not address the large and growing fish and wildlife conservation needs of our States and communities today. As you know, habitat acquisition is only a part of the solution. As you are aware, Mr. Chairman, ⅔ of our land in the United States is in private ownership, and it is neither appropriate nor are we simply able to afford to purchase the habitat necessary to consave our fish and wildlife resources for future generations. Experience has shown we must understand the needs of particular species of wildlife in order to work with private landowners as well as public agencies to meet those needs. A key part of the puzzle missing from the Administration's proposal is Title m of S. 25, providing permanent and dedicated funding for state-based enhanced wildlife conservation, conservation education and wildlife-associated recreation programs. Without that, the Administration's proposal is a glass half-full and will not be successful in restoring America's wildlife.

We are also concerned that the Land and Water Conservation Fund Act lacks the statutory authority for spending on the programs contemplated under the Lands Legacy Initiative. We would suggest that there are more appropriate statutes and funding sources for many of the Administration's proposals.

Mr. Chairman, let me conclude my remarks by reiterating our strong support for S. 25. This could be the most comprehensive piece of conservation legislation in our lifetime. Thank you for the opportunity to appear before you today and I would be pleased to respond to any questions.

RESPONSES BY MAX PETERSON TO ADDITIONAL QUESTIONS FROM SENATOR BOXER

More than 1800 species of fish and wildlife receive little or no attention from state and Federal conservation programs because they are not classified either as game species or on the endangered species list. Unfortunately, more and more of these species are finding there way onto the endangered list every day.

Question 1. Mr. Peterson, do you think there is a need to take a more comprehensive approach to conserving big-diversity and to undertake a comprehensive planning process that allows you to most efficiently target this new money toward unmet wildlife conservation needs, like non-game and endangered species?

If not, how do we ensure that states are not going to simply take this money to fund existing programs that have not be able to address the declines in non-game species? What percentage of Pittman-Robertson money currently is spent on non-game and endangered species?

Response. Senator Boxer, yes, the IAFWA has long record the reed for consistent, percent and dedicated funds to enhance state-based fish and wildlife conservation programs to enable the States to comprehensively address the unmet needs of all fish and wildlife.

We are very interested in proposals that would provide adequate and consistent funds to address the vast number of non-game species that without adequate funding could decline and some become threatened or endangered. That goal has been the primary focus of the Association's "Teaming With Wildlife" initiative, which has been among the highest priorities of the Association for the last 7 years. We have long advocated that preventive conservation efforts that address the life needs and habitat requirements of declining species in response to early warning signs of decline will not only preclude the need to list species as endangered, but also help minimize the social and economic impacts associated with such listings. The State fish and wildlife agencies largely have the technical experience and expertise to do this now, but have lacked the necessary funds to satisfy this goal. Building on our successes for game and sportfish species under the Pittman-Robertson and Dingell-Johnson/Wallop-Breaux programs, we can achieve the same success for nongame species such as bluebirds, wading birds, bog turtles, cerulean warblers, and many species of frogs and salamanders that are exhibiting population declines. While these nongame species have received some corollary benefit from programs funded under Pittman-Robertson and Dingell-Johnson/Wallop-Breaux, there simply have not been sufficient funds to adequately address the larger suite of fish and Wildlife species in the States. The Conservation and Reinvestment Act (S. 25) will provide these funds to the States to accomplish state-based enhanced and comprehensive wildlife conservation, conservation education, and wildlife associated recreation.

We do not believe it is either necessary or a good strategy to require a new comprehensive planning process as a part of the current legislation.

Most State fish and wildlife agencies have, or are in the process of developing, a comprehensive strategy to fulfill their obligation to their citizens to conserve the fish and wildlife resources of their state. Most States have assessed their fish and wildlife resource base, detected habitat availability/security, looked at land uses, and factored in user demand in order to identify what actions are necessary to secure the future of their fish and wildlife resources. The result is that States are generally prepared now to speed money on the ground for conservation, and do not need to be directed to spend money on federally prescribed comprehensive planning. Both S. 25 and H.R. 701 do require a 5-year program that addresses conservation, conservation education and wildlife related recreation.

States are acutely aware of funding needs for nongame species and have used everything from nongame income tax check-off to Duty license plates in an attempt to provide fuming. These funds, however, are generally neither consistent nor predictable enough to build a program around. Is is also clear that strong state coalitions and public expectations are that most of the funds will be spent to benefit nongame species. Because many habitat programs, condensation education ant wildlife recreation benefit both game and nongame species, it is often impractical to draper a nongame/game distinction.

We have just completed a report on state wildlife diversity Findings and expect to publish it in late April or early May In response to your last question within question one, we provide here some of the preliminary results from that survey. In 1997–98, 24 states spent S12 7 million of Pittman-Robertson funds on programs targeted at wildlife diversity (nongame, endangered species and watchable wildlife). In addition, $92 million of Wallop-Breaux ferris were spent in this arenas and $16.6 million of hunting and fishing license sales Suffice it to say that these Finds are simply inadequate to address the needs of those species. Out State fish and wildlife agencies estimate needs for fish and wildlife conservation, consolation education, and wildlife associated recreation at between $7501 and $1B per year for sill states. Annual Pittman-Robertson Ending is now about $150–175 million dollars per year.

Question 2. How are we going to guarantee that enough money will address unmet wildlife conservation needs particularly as they relate to non-game species?

Response. We are confident that states will use the money to address high priority needs which in all states include a substantial number of non-game species. In making the "Teaming With Wildlife" initiative a high organization priority, the Association recognized, and is committed to fulfilling the needs of nongame wildlife as the highest Finning priority for these funds. The over 3,000 grassroots organizations supporting this initiative, and the citizens in each and every state, will ensure through their continued participation with the State fish and wildlife agency in establishing program funding priorities, that the funds are spent to satisfy comprehensively the unmet needs of fish ant wildlife conservation, conservation education, and wildlife associated recreation. Further, the Secretary of Interior, under the language in S. 25, must find that the State fish and wildlife agency has a comprehensive program to address the unmet needs of fish and wildlife, in order to approve funds for that State under the Conservation arid Reinvestment Act.

The State fish and wildlife agencies are comfortable with the current language in S. 25, but would consider language which would emphasize (not earmark or exclusively direct) spending for nongame species, as long as the discretion on spending priorities remains with the State fish and wildlife agency. As you may know, Pittman-Robertson funds that are provided by excise taxes on hunting supplies and equipment is not restricted to game species. We do not favor placing restrictions on OCS Finds either.

STATEMENT OF ROY KIENITZ, EXECUTIVE DIRECTOR OF THE SURFACE TRANSPORTATION POLICY PROJECT

Mr. Chairman, thank you for inviting me to testify before the committee today.

My name is Roy Kienitz and I am the Executive Director of the Surface Transportation Policy Project. We are a nonprofit coalition of 200 groups working to ensure that transportation investments improve environmental quality, boost economic efficiency, and improve access to opportunities for all individuals.

Over the past 2 days, you have heard people echo what recent elections and polls have already told us that a growing number of people believe that curbing haphazard sprawl and promoting smarter growth are critical to maintaining the fiscal health, environmental quality, and overall quality of life of their communities.

One way to support smarter growth is to be more efficient about utilizing public infrastructure and services that have already been paid for, such as roads and transit, water and sewer lines, and other utilities. This approach is already the corner-

stone of several smart growth initiatives such as those in Maryland, Oregon and New Jersey.

As we determine what action to take, we should be reminded that calls for smart growth originated first from citizens, then localities and States not from Washington. They have also come from all portions of the political spectrum. As such, we think it is reasonable for the Federal Government to provide the tools necessary to help communities meet their own smart growth goals. These tools should enable local and State governments to both preserve open space and revitalize existing communities.

Specifically, we have the following recommendations for Federal action:

First, we support the current proposal for Better America Bonds. These bonds would carry no interest for 15 years, and offer the fiscal leverage to enable local, State and tribal governments to preserve open space, create or restore urban parks, clean up contaminated land, and stimulate construction and renovation projects in existing communities. Representing roughly $10 billion in bond authority, these flexible financing tools represent a major opportunity to revitalize our central cities, while also helping small towns and suburbs gain control over runaway sprawl. Broad support is already forming behind these Bonds, and they have even elicited a positive reaction from House Transportation and Infrastructure Committee Chairman Bud Shuster.

Second, to support the continued revitalization of central cities, Congress must oppose any efforts to undermine the Community Reinvestment Act, which requires banks to invest deposits back into the communities from which they come. Since 1977, this law has strongly contributed to the renaissance of many older urban neighborhoods, alleviating the pressure for ever-outward development and infrastructure spending at the fringes of our metropolitan areas. This law also helps to ensure that residents of less affluent communities can share at least some of the investment benefits that their personal savings generate something that most people take for granted.

Third, to bring more large-scale private investment to low-income urban communities, we also support the proposal for a new American Private Investment Corporation which would provide preferential financing packages to businesses that invest in urban areas. This proposal, which is modeled on the existing Overseas Private Investment Corporation, would provide a needed boost to attract private investors to areas that would benefit greatly from new development or redevelopment.

Fourth, to give communities another tool to help preserve open space and improve parks, we propose to strengthen the Land and Water Conservation Fund by boosting its funding by several hundred million dollars per year. These funds would pay for the acquisition of green spaces across the Nation and would come to communities in the form of flexible grants, loans and easements. We understand that there are a number of proposals before the committee to boost funding for this program, and Senator Boxer's is clearly a standout.

Finally, since smarter growth also means better coordination between transportation and land use decisions, we hope the committee can support an increase in funding for TEA–21's Transportation and Community and System Preservation Pilot Program (TCSP) to $50 million for the next year. We applaud Senator Wyden's leadership on creating this program, which is currently funded at $25 million per year to support local efforts like traffic calming, transit-oriented development, and the creation of downtown intermodal centers. Even before the first round of grants has been awarded, it is obvious that there is enormous demand for this program. The US DOT received over 500 proposals from local governments requesting more than $400 million in assistance. Increased funding would enable US DOT to support a greater number of worthwhile projects.

The TCSP program underscores the fact that transportation spending plays an especially important role in supporting smart growth. For this reason, we appreciate the Administration's proposal to increase funding levels for transit, transportation assistance for workers getting off welfare, and other programs, although we recognize that such programs fall under the jurisdiction of the Banking Committee. Similarly, we applaud efforts to secure increased funding for the Congestion Mitigation and Air Quality Improvement Program, but understand that this introduces a number of complications relating to the funding formulas that were negotiated in TEA–21.

In conclusion, the Federal Government has a critical role to play in providing financing tools to help local, State and tribal governments achieve their smart growth goals. While it is difficult to claim that any one metropolitan area in America is the embodiment of smart growth, there are hundreds of places that are striving to preserve open space, reduce the fiscal costs of runaway sprawl and create livable places for all residents. We need more examples like the City of Chattanooga's downtown

revitalization and greenway plan, New Jersey's open space initiatives, and Oakland, California's transit-oriented development at its Fruitvale light rail station. Wherever the place and from whatever end of the political spectrum, localities are asking for assistance on smart growth, and the Federal Government has a great opportunity to help.

Thank you.

[From the Washington Post, March 17, 1999]

MISCHIEF FROM MR. GRAMM

Cities that were in drastic decline 20 years ago are experiencing rebirth, thanks to new homeowners who are transforming neighborhoods of transients into places where families: have a stake in what happens. The renaissance is due in part to the Federal Community Reinvestment Act, which requires banks to reinvest actively in depressed,and minority areas that were historically written off. Senator Phil Gramm of Texas now wants to weaken the Reinvestment Act, encouraging a return to the bad old days, when banks took everyone's deposits but lent them only to the affluent. Sensible Members of Congress need to keep the measure intact.

The Act was passed in 1977. Until then, prospective home or business owners in many communities had little chance of landing loans even from banks where they kept money on deposit. But-according to the National Community Reinvestment Coalition, banks have committed more than $1 treason to once" neglected neighborhoods since the Act was passed, the vast majority of it in the last 6 years.

In New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.

Federal bank examiners can block mergers or expansions for banks that fail to achieve a satisfactory Community Reinvestment-Act rating. The Senate proposal that Mr. Gramm supports would exempt banks with assets of less than $100 million from their obligations under the act. That would include 65 percent of all banks. The Senate bib would also dramatically curtail the community's right to expose what it considers unfair practices. Without Federal pressure, however, the amount of money flowing to poorer neighborhoods would drop substantially, undermining the urban recovery.

Mr. Gramm argues that community groups are "extorting" money from banks in return for approval, and describes the required paperwork as odious. But community organizations that build affordable housing in Mr. Gramm's home state heartily disagree. Mayor Ron Kirk of Dallas disagrees as well,-and told The Dallas Morning News that he welcomed the opportunity to explain to Mr. Gramm that "there is no downside to investing in all parts of our community."

In a perfect world, lending practices would be fair and the Reinvestment Act would be unnecessary. But without Federal pressure the country would return to the era of redlining, when communities cutoff from capital withered and died.

STATEMENT OF RALPH GROSSI, PRESIDENT, AMERICAN FARMLAND TRUST

Mr. Chairman, American Farmland Trust (AFT) appreciates this opportunity to provide your committee with our views on the loss of open space and environmental quality. I am Ralph Grossi, president of AFT and the managing partner of a family farm that has been in the dairy, cattle and grain business in northern California for over 100 years. American Farmland Trust is a national, nonprofit organization with 34,000 members working to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment.

American Farmland Trust applauds the bipartisan movement now underway across the Nation to promote "smart growth." While we are strong advocates of local solutions to land use issues, we believe there is a vital role for the Federal Government in assisting local communities that are struggling to protect farmland while accommodating growth. In nearly half of the States there are aggressive efforts underway to protect farmland, both for its importance to local economies and as a tool in controlling sprawl.

This nation's productive agricultural land deserves the same protection that you, Mr. Chairman, have worked so tirelessly to afford to our other important natural resources. It simply makes sense for America to protect the land that provides the nation's food and fiber, offers scenic open space, provides wildlife habitat, and re-

flects America's heritage. We must not lose sight of the constant threat to farmland posed by sprawling, unplanned growth.

But it isn't just the farmland being paved over that should be of concern to agriculture. Another reason why sprawl matters is its influence over the pattern of development. Because, for every acre of farmland developed, 2 to 3 more acres now have a subdivision next door. And agriculture is at risk when it has too many neighbors.

Most suburbanites simply don't want to put up with manure odors, noise, dust and drifting farm chemicals—the inevitable byproducts of production agriculture. Some don't think twice about helping themselves to some apples from the orchard across the road; or about letting their dogs run free to harass or maim dairy cows. An increasing number of ex-urban refugees are suing farmers for doing what they've always done—when there was nobody around to complain. Now, the Supreme Court has ruled that "right to farm" laws, which try to prevent homeowners from suing farmers, are an unconstitutional "taking" of private property—the homeowners property, not the farmers'!

Mr. Chairman, there are three essential steps to creating "smart growth" strategies that will benefit everyone: farmers and ranchers, urban dwellers and suburban residents.

First, American communities must envision their futures, and plan comprehensively to make that vision reality. A good strategic framework should include planning for agriculture along with plans for urban redevelopment, suburban transportation, and other challenges of growth. Too often, while local leaders work to bring new business to a community they overlook agriculture as a true "wealth generator"—an industry that brings value to the community from renewable natural resources. In many traditional farm communities citizens are awakening to the prospect that this important, consistent economic base is at risk; and they recognize that one of the solutions is to ensure that the land base is protected. This calculus has little to do with the global food supply, but everything to do with the value of farming to local economies.

The recent surge in local and State efforts to protect farmland suggests rapidly rising national concern over the loss of farmland and the environmental benefits it provides. In last November's elections 72 percent of 240 initiatives to protect farmland and open space were approved by voters across the nation. In recent years Governors Engler, Voinovich, Ridge, Pataki, Wilson, Whitman, Weld, Glendening and others have supported or initiated farmland protection efforts to address this problem. Nearly every day this year major newspapers have carried articles about sprawl and "smart growth," frequently citing farmland protection as one of the key components of the latter. And the President highlighted the need to help communities protect "farmland and open space" in his State of the Union speech.

Recent studies by American Farmland Trust have documented that more than 80 percent of this nation's fruits, vegetables and dairy products are grown in metropolitan area counties or fast growing adjacent counties—in the path of sprawling development. And a 1997 AFT study found that over the past decade 1,000,000 acres of farmland were lost to urban uses each year. The loss of soil to asphalt—like the loss of soil to wind and water erosion—is an issue of national importance.

But one should not get caught up in the "numbers game". The fact is that every year we continue to squander some of this nation's most valuable farmland with the expectation that this land can be replaced with imports, or with new technologies that promise to help maintain the productivity gains of the past half century. The reality is that we don't know whether new technologies will keep pace. What we do know is that whatever those technologies will be, it is likely that they will be more efficiently applied on productive land than on marginal land where higher levels of energy, fertilizer, chemicals and labor per unit of output are required. Simply put, It is in the nation's best interest to keep the best land for farming as an insurance policy against the challenge of feeding an expanding population in the 21st century.

The second essential step to creating smart growth strategies is the elimination of subsidies that support sprawling development over our best farmland. Public policy should not favor untrammeled consumption of land, nor should they drive development out of America's cities.

While most of the policy decisions that lead to sprawl are made at the State and local level, these decisions are often based on economic incentives created by Federal activity. The sad fact is that our current patterns of low-density development are the result of 50 years of government policy decisions, direct government funding, and government-influenced private finance and credit decisions. In most American cities, the mix of these policies and market forces creates a strong economic push toward an ever-expanding suburbia at the expense of our core urban and inner suburban areas.

Federal transportation policy is an illustrative example. Highway building enhances the tendency to sprawl. Local roads, a principal lifeline for many rural residents, receive disproportionately little funding for priorities such as maintenance. Instead, funds are disproportionately being spent on new or expanding highways at the edges of metropolitan areas where fewer people live. Meanwhile, poor pavement conditions, transit operations, and other transportation needs in suburbs and cities go largely unmet.

A recent study of tax, transportation and development policies in the Atlanta area, conducted by AFT and the Georgia Conservancy, pinpoints several factors that favor suburban over urban development. [I ask the Chair to please include the report's executive summary in the record.] Of the nine different policies and other factors studied, land cost—affected by highway construction—was by far the leading factor in driving development out of the city and into suburban areas. Transportation investments in highways are not the sole cause of sprawl, but they are contributors. They are part of a web of factors that result in the paving of more than one million acres of farmland per year, and disinvestment in urban cores and inner suburbs.

The good news is that the Federal Government is providing tools to combat the unwanted side effects of these policies. In the landmark 1991 transportation bill affectionately known as "ISTEA" and in the TEA–21 bill that reauthorized it last year, a small but important sum is set aside to support alternatives to the highway system and reduce its negative effects on society. The law authorizes billions of dollars through the Transportation Enhancements program for bicycle and pedestrian trails, acquisition of scenic or historic easements, and mitigation of water pollution due to highway runoff.

How ironic though, that the taxpayer has to pay twice—once by subsidizing sprawl, and a second time to offset its negative impacts. We strongly urge you to take a critical look at the wide range of public subsidies that continue to induce this unwanted land use behavior.

The third and final essential step to creating smart growth strategies is to enlist the support of private landowners. Local, State and Federal agencies, along with private organizations must work with landowners to help them protect the best lands, including farmland. In fact, working with private landowners should become the foundation of future conservation policy, because the future of the American working landscape will depend upon it.

For the past quarter century conservation goals in our country have been largely achieved by either imposing additional regulations or through government purchase of private land. However, these actions have failed to resolve conflicts over important problems—like species or farmland protection, for example—that rely on the participation of thousands of private landowners. At AFT we very strongly believe that in the 21st century new approaches to land conservation will be needed that address the concerns of private landowners and bring them into partnerships with the American public to achieve broad community goals on private land. And do it in a manner that shares the cost between those who steward the land, and those who benefit from a well-managed private landscape.

America cannot—indeed should not—buy all the land that needs protecting. So the support of farmers and ranchers for conservation policies is absolutely critical because they own the land that plays such a vital role in producing conservation benefits for all Americans to enjoy.

As farmers we are proud of the abundant supply of food and fiber we have provided Americans and millions of others around the world; and we are pleased that well-managed farms also "produce" scenic vistas, open spaces, wildlife habitat and watershed integrity for our communities to enjoy. And in many instances, our farms and ranches serve as crucial buffers around our parks, battlefields and other important resources. These are tangible environmental goods and services that farmers should be encouraged to produce, and for which they should be appropriately rewarded. It is only fair that the cost of producing and maintaining these goods should be shared by the public that benefits from them.

A number of bipartisan proposals contain provisions that move us in that direction. We support the Resources 2000 Act and S. 333 because these bills recognize the role that private landowners play in the stewardship of our natural resources, protecting their property rights, while compensating them for the environmental goods they produce for the public. And we thank Chairman Chafee for his cosponsorship of S. 333.

The purchase of development rights approach proposed by these bills provides an innovative, voluntary opportunity for appropriate local agencies to work with landowners by offering them compensation to protect the most productive farmland—

farmland that is critical to both the agricultural economic base of our rural and suburban communities and the environmental values provided by well-managed farms.

These bills would leave protected lands on the local tax rolls, contributing to the local economy. The value of this approach to local communities cannot be understated. AFT has conducted more than 40 Cost of Community Services Studies around the country. In every case, these studies have shown farmland provides more property tax revenue than is needed in public services, while sprawling residential development almost always requires more in services than it pays in taxes.

As more communities struggle with the problems of suburban sprawl, private lands protection is emerging as a key strategy of smart growth. The techniques proposed by the Resources 2000 Act and S. 333 add an element of fairness to the difficult challenge of achieving public goals while balancing private property rights. They are a reasonable balance to the regulations that often lack fairness when applied alone. In fact, many communities are finding that implementing a purchase of development rights program actually strengthens support within the farm community for zoning and other necessary regulations.

Mr. Chairman, during this Congress you will have unprecedented opportunities to develop policies to encourage smart growth. This process is not about Federal meddling in local affairs—as some critics have charged—but rather about who reaps the benefits and who carries the burdens of the status quo pattern of sprawl. Any successful policy must: (1) be consistent in the implementation of programs that influence local planning efforts; (2) be willing to eliminate counter-productive subsidies that are making the job more difficult; and (3) increase the incentives that reward stewardship on this nation's private lands.

Thank you for providing me with this opportunity to testify today, and I look forward to working with you to establish a truly farmer-friendly conservation policy.

RESPONSES OF RALPH GROSSI TO ADDITIONAL QUESTION FROM SENATOR LAUTENBERG

Question. Many people have pointed out the connection between abandonment of inner cities, particularly areas where possible contamination of a former industrial or small business site may make redevelopment difficult, and sprawl into areas such as farmlands. Do you think that having brownfields legislation which would help provide funding for site investigations and loans for cleanup would help encourage re-use of these sites? Would this then help alleviate pressure to develop in new, outer areas such as farmlands? Would you support legislation which helped encourage re-use of these sites?

Response. American Farmland Trust believes that development is both inevitable and desirable. However, it simply makes sense that development should not occur on our most productive land. Instead, development should be steered to both marginal land and toward abandoned urban cores including brownfields sites.

We view protection of farmland and brownfields site abandonment as two sides of the same coin. To the extent that we subsidize development on our farmlands, we subsidize the abandonment of our urban centers. By promoting cleanup of brownfields sites and the economic redevelopment of our downtown areas, we relieve some of the pressure to subdivide our farmland. American Farmland Trust would support legislation to encourage the reuse of brownfields as one part of a broad effort to address the national problem of farmland loss.

RESPONSES OF RALPH GROSSI TO ADDITIONAL QUESTIONS FROM SENATOR BOXER

Question. With regard to purchasing development rights, why do you think the Federal Government should help fund what many may consider a local concern?

Response. While it is true that most of the decisions resulting in sprawl are made at the State and local level, these decisions are often based on economic incentives created by Federal activity. The sad fact is that our current patterns of low-density development are the result of 50 years of government policy decisions, direct government funding, and government-influenced private finance and credit decisions. In most American cities the mix of these policies and market forces creates a strong economic push toward an ever-expanding suburbia.

Recent studies by American Farmland Trust have documented that 80 percent of this nation's fruits, vegetables and dairy products are grown in metropolitan area counties or fast growing adjacent counties in the path of sprawling development. And a 1997 AFT study found that over the past decade over 400,000 acres of prime and unique farmland were lost to urban uses each year. The loss of soil to asphalt—like the loss of soil to wind and water erosion—is an issue of national importance.

It is thus certainly appropriate for the Federal Government to help local communities protect this critical national resource.

Question 2. Aren't conservation easements just another tax loophole for wealthy landowners? Do small farmers really benefit?

Response. No, conservation easements are not a tax loophole for the rich. A conservation easement is simply the legal contract attached to the deed to the property ensuring that the agreement not to subdivide is binding on current and all future landowners. When a landowner donates an easement to an NGO or government agency he/she is entitled to certain tax benefits; however, since nominal tax rates are now below 40 percent a landowner receives only partial compensation for the value given up. Hence, the public is getting more then double its investment in conservation for tax benefits given.

More importantly, in the case of purchased conservation easements such as with the Farmland Protection Program and as envisioned in Miller/Boxer, landowners are paid a fair price for development value foregone. American Farmland Trust's studies of State programs that have been in place for more than two decades show that such programs have been a tremendous help in lowering the price of land so that young, entry-level farm families could acquire farmland at near agricultural prices. Furthermore, these studies show that landowners have used these funds to make investments in their operations including, upgrading to more efficient facilities, expanding operations, paying down debt, improving waste management systems, etc. The bottom line: these funds for conservation easements have largely been re-invested contributing to the economic health of local communities in each of the States that have such programs.

Question. 3. Our title in the bill provides permanent funding for an already existing program—the Farmland Protection program. How successful has this program been to date? Is it popular with the States?

Response. The Farmland Protection Program authorized $35 million for matching grants to State, local and tribal entities that purchase conservation easements from willing sellers. The program has been enormously successful and has helped to permanently protect more than 120,000 acres of America's best farm and ranch lands from sprawling development. By rewarding local initiative, FPP funds have been leveraged nine-times over at the State and county level. Because the FPP is a voluntary program that compensates landowners and protects property rights it has also proven to be enormously popular with landowners. In fact, it is oversubscribed by 600 percent—more than any other USDA conservation program.

The FPP has also encouraged a number of States including California, New Hampshire and Ohio to initiate their own state-level purchase of development rights program. This expanded activity at the State level will perhaps be one of the most enduring and important legacies of the FPP.

STATEMENT OF EUGENE A. CONTI, ASSISTANT SECRETARY FOR TRANSPORTATION POLICY, DEPARTMENT OF TRANSPORTATION

Mr. Chairman and members of the committee. Thank you for the opportunity to review the role and importance of the Department of Transportation's programs in the Clinton-Gore Livability Initiative.

The Clinton-Gore Livability Initiative is a bold new effort to engage the American people on a subject of profound significance to the country. It is about the future of our cities, suburbs, and rural areas. It is about how these places will become and remain prosperous and healthy, and help our people fulfill their expectations for their quality of life.

The Administration's Livability Initiative starts with the premise that continued growth is key to our economic competitiveness and that strong communities are essential to our quality of life. These initiatives rest on the bedrock principle that communities know best that land use and infrastructure decisions are best made at the local level. Our effort is a comprehensive attempt to provide communities with an array of tools and resources, from which they can select to preserve green spaces, ease traffic congestion, promote regional cooperation, improve schools, and enhance economic competitiveness. These tools and resources will help enable communities to grow according to their own values.

Toward this end, the Administration has proposed several strategies. The first strategy helps communities preserve open space through a new "Better America Bonds" program. It will provide $700 million in new tax credits for state and local bonds to build more livable communities. These new "Better America Bonds" will leverage nearly $10 billion of investments in our communities over the next 5 years

and will help communities reconnect to the land and water around them and also enhance economic competitiveness by redeveloping brownfields.

Second, the Administration is taking new steps to ease traffic congestion so, for example, parents can spend more time with their kids and less time stuck behind a steering wheel. This proposal builds on the success of TEA–21 in supporting state and local efforts to reduce air pollution and ease traffic congestion.

Third, the Administration is taking new steps to promote regional cooperation, so entire regions work together for smart growth and competitiveness. Issues like traffic, air pollution, and jobs don't recognize defined borders, and neither should our solutions. The Regional Connections initiative seeks to promote cooperation among neighboring communities and thereby aid in the development of truly regional game plans for smarter growth.

Finally, the Administration is proposing a number of other targeted initiatives that, along with transportation, help communities maintain their sense of community as they keep pace with rapid growth. These proposals, totaling $100 million, advance the goals of excellence in school facilities, sound growth management information, and public safety all fundamental elements of a livable community.

Transportation plays a critical role in this initiative. By providing the means for connecting people with goods, services, and one another, transportation serves as the nation's arteries through which flows all that sustains our people and binds them together as a nation. Also importantly, the movement of people and goods must be done in as safe a manner as possible at all times.

In exercising its stewardship over various transportation modes and programs, the Department of Transportation places great reliance upon the ability of states, localities, the private sector and private citizens to work together to make transportation work for this country. It is critically important that communities and their citizens determine their own visions for the future and the means to achieve them. The transportation planning process establishes the community forums necessary for elected officials and citizens to find common ground in meeting their needs and fulfilling their hopes for the livability of their communities.

As this planning process guides states and localities in developing transportation plans and programs to serve their people, it links safety concerns, land use development, environmental quality, attention to the needs of disadvantaged populations, and economic development into an integrated approach to community livability.

This integrated approach, rooted in decisionmaking at the local and state levels, with transportation as a key element, is precisely the means to achieving better communities that the Clinton-Gore initiative contemplates. Just as transportation planning relies on state and local decisionmaking to achieve transportation goals, the Livability Initiative recognizes that different communities face different circumstances and provides resources so that they can plan and achieve their own development goals.

Last year the Congress, working closely with the Administration, enacted the visionary Transportation Equity Act for the 21st Century (TEA–21). This committee is to be commended for its leadership role in preserving the best of the Intermodal Surface Transportation Efficiency Act of 1991 and shaping a new comprehensive measure, TEA–21, for the beginning of the new century. TEA–21 supports communities and states as they choose transportation facilities and services that best meet local transportation priorities, through TEA–21's metropolitan and statewide transportation planning processes. Communities can choose how to use Federal transportation dollars in conjunction with other community efforts to achieve new, more livable patterns of growth. A balanced transportation system is only one of a number of ingredients in community viability. Transportation planning works side by side with the development of decent housing, commercial investment, parks and recreation areas, good schools, and effective public safety to make our localities good places to live, work, and raise families.

TEA–21 gives communities and states many opportunities that can be used to meet the nation's mobility needs and improve its quality of life. Funds authorized for the National Highway System, Surface Transportation Program, and transit programs each have broad eligibility and flexibility so that states and local areas can tailor the use of Federal funds to best meet their needs whether they be for transit, bicycle/pedestrian facilities, highways, ride-sharing programs, safety projects, intermodal connections or other improvements. We are committed to helping state and local transportation agencies develop projects and services that reduce pollution and are more compatible with the environment. Specific TEA–21 programs give states and communities even more tools to carry out projects for enhanced livability. These include:

- New and enhanced safety grant programs, with a special focus on reducing drunk driving and increasing seat belt use, encourage states and communities to im-

prove highway safety standards and reduce the human cost of motor vehicle crashes.

- Transportation Enhancements and Transit Enhancements funds can be used to help communities improve the cultural, aesthetic and environmental qualities of their transportation systems.
- The Congestion Mitigation and Air Quality Improvement Program (CMAQ) can be used to fund transportation projects to help communities meet national ambient air quality standards or to maintain compliance with the standards.
- The Transportation and Community and System Preservation Pilot Program (TCSP) provides grants to demonstrate ways to make communities more livable and research funds to help investigate relationships between transportation and land use.
- Intelligent transportation system technology will help make communities more livable by reducing traffic congestion, managing traffic flows of people and goods, and assisting with local responses to transportation emergencies.
- Transit programs strengthen opportunities for alternative forms of transportation and accessibility. In particular, the Job Access and Reverse Commute program will fund transportation projects that help lower-income workers and those making the transition from welfare rolls to payrolls get to their jobs.

Elected state and local officials are pursuing smart growth and revitalization initiatives that can use these Federal tools. The growing interest in smart growth was demonstrated by the successful ballot initiatives in over 200 communities last year. The Congress has also acted by establishing bi-partisan task forces on livability and smart growth in both the House and the Senate.

The Department of Transportation's programs and activities work in close partnership with those of other Federal agencies to provide states and communities with a combination of resources and tools. For example, state and metropolitan transportation plans must conform to state air quality plans approved by the Environmental Protection Agency (EPA) to ensure that our air is getting cleaner. Cities and counties that have established enterprise communities and empowerment zones to spark new life in long dormant and neglected areas know how transportation can contribute to getting workers to jobs and customers to goods and services. Communities seeking to preserve the heritage of the past and to build a prosperous future can bring together such programs as DOT's Transportation Enhancement Program and Treasury's historic preservation tax credits with HUD's Community Development Block Grant program to turn deteriorated neighborhoods into attractive places to live and work. Such local partnerships give added power and reach to any single agency's contribution.

The Livability Initiative, particularly its transportation components, combines what we can do now with what we must do in the future to make sure that the places in which we live will remain the places in which we will want to live. The Administration is proposing several important enhancements to existing transportation programs and initiatives.

Proposals in the President's Fiscal Year 2000 Budget would increase funding for transit, CMAQ, transportation enhancements, the TCSP pilot program, and Job Access/Reverse Commute grants. These additional funds will encourage transportation alternatives, and support critically important environmental, safety and research and technology programs. The proposed increase in funding reflects our commitment to reduce air and water pollution and make transportation more compatible with the environment. It will help maintain a balance in funding between highway and transit, consistent with TEA–21. Increased CMAQ funds will help our communities carry out activities that help them meet and maintain air quality standards. The increased TCSP pilot program funds will help us meet the tremendous popular demand for the program DOT had over 500 applications, which totaled over $400 million, for Fiscal Year 99 TCSP funds.

Other elements of the Livability Initiative the Better America Bond program and the Regional Connections program complement the existing programs of DOT. By providing added financial power to states and localities to preserve open space, rehabilitate parks, and reclaim brownfields, the new bond program will enhance the quality of community life, while transportation programs can make sure that people have the access they need to these spaces. By improving regional cooperation and fostering public-private partnerships, the Regional Connections program will boost the effectiveness of regional planning, which can lead to better decisions about transportation and land use choices.

In too many places, Americans have become disconnected from their communities—from being able to walk quietly and peacefully in neighborhoods without enduring the roar of traffic or unsafe road conditions; from getting to their jobs and shopping areas and back to their homes easily without sitting for hours in gridlock;

from living close to the places where they work and play, worship and learn; from experiencing the nation's heritage in its historic buildings and places; and from enjoying clean air, pure water, and green open spaces. The Livability Initiative is about helping Americans reconnect with these essential values.

LIVABILITY AT THE BALLOT BOX: STATE AND LOCAL REFERENDA ON PARKS, CONSERVATION, AND SMARTER GROWTH, ELECTION DAY 1998

(By Phyllis Myers, State Resource Strategies)

A DISCUSSION PAPER PREPARED FOR THE BROOKINGS INSTITUTION CENTER ON URBAN AND METROPOLITAN POLICY, JANUARY 1999

I. Overview

On November 3, 1998, voters from California to New Jersey approved, often with large majorities, more than 70 percent of two hundred-plus state and local ballot measures to protect, conserve, and improve parks, open space, farmlands, historic resources, watersheds, greenways, biological habitats, and other environmental enhancements in communities and regions across the country. The measures will trigger, directly or indirectly, more than $7.5 billion of new state and local money.

News about votes for such close-to-home referenda typically does not travel far. Yet these local votes caught the attention of such national and business media as The New York Times, USA Today, The Washington Post, Wall Street Journal, Bloomberg News, Reuters, CNN, PBS, and Dow Jones. Regional and city newspapers, too, featured articles on these ballot measures in reports on races for Governor, the state legislature, and key local posts. The local votes were quickly described as part of a national, dramatic grassroots rebellion against sprawl, an urgent call for preserving land, and a clear message of support for smart growth policies.

Two months later, with the benefit of complete data and more time for reflection, it is evident that the array of conservation ballot proposals and outcomes last Election Day was more varied than the initial post-election reports suggested. The 240 referenda identified in 31 states asked voters to approve a basket of finance and regulatory actions ranging from conventional park and recreation funding to purchase of farms and coastal areas to adding green infrastructure in growing communities on the edge of expanding metropolitan areas. A number of measures are part of comprehensive statewide and regional land conservation, habitat restoration, watershed protection, historic preservation, and outdoor recreation programs. Other measures are important elements in broad programs aimed at containing sprawl and reining in metropolitan growth. Contrary to past election years, an increasing number of measures this year moved beyond traditional land acquisition and involved the purchase of easements to restrict future development of privately owned, productive farmland. These measures appeared on ballots in older, declining urban neighborhoods as well as growing communities, and in rural areas as well as metropolitan regions.

The Election Day 1998 results are more than a sudden happening. While last fall may have been a record year for the number of approved ballot measures (and level of funding) in support of smarter growth and environmental improvements, the sentiment these measures reflect has been building up over decades as people and jobs continue to move from older cities and suburbs to farther out communities at the metropolitan fringe. In the late 1980's and through the 1990's, citizens and professionals sounded increasingly louder alarms about the deleterious effects of these settlement patterns on farm and forest resources, biological diversity, watersheds, scenic assets, access to nature and outdoor recreation, and the economic health and sustainability of established communities and resource-based economies.

Advocates, continuing to push for more responsive Federal, state, and local policies and programs, have awakened often dormant land-related authorities and resources. By the century's end, these efforts have resulted in increased funding for strengthened park and conservation programs in about a dozen states as well as hundreds of counties, cities, and towns.

Since financing for such programs at the state and local levels often requires voter approval, grassroots ballot measures provide an informative window into debates across the country on the pace, quality, and direction of development and voter sentiment on parks, conservation, and growth. Yet, because of their decentralized nature, ballot measures were unexamined until recently.

This paper examines and summarizes the results of a new comprehensive survey of the November 1998 crop of state and local ballot measures for parks, open space,

and environmental improvements. The paper also compares these findings with that of a similar survey conducted in 1996, the first systematic effort to track these measures.[1]

Major findings include:

- There were 240 state and local conservation ballot measures identified in 1998, over 50 percent more than those identified in the 1996 survey.
- Voters approved 72 percent of these measures, a success rate similar to that in 1996. In recent years, conservation finance measures have attracted the highest rates of approval among capital measures put before voters. Information on comparative approval rates for other capital spending ballot measures in 1998 is not yet available.
- These measures triggered more than $7.5 billion in new state and local conservation spending. Voters directly approved $4.5 billion in conservation and growth-related spending to be raised from bonds and recurring revenue sources.[2] In addition, Florida voters approved a constitutional amendment that clears the way for renewing Preservation 2000. This popular 10-year, $3 billion program is the nation's best-funded state land conservation initiative.
- A number of these conservation measures approved funds to help leverage additional sources of public moneys. For instance, Martin County, Florida, approved a one-cent sales tax to help leverage Federal funding to restore the Florida Everglades. New Jersey and Massachusetts approved state funds and more flexible enabling authority to help leverage local initiatives.
- The approved measures supported a wide range of conservation and community enhancement activities. New Jersey's high-profile constitutional amendment to set aside $98 million a year for the next 30 years to help protect half of the state's developable land was the most ambitious and far reaching of these 240 ballot measures. While anti-sprawl sentiments prompted approval of some measures to raise funds solely for land acquisition, most of the ballot referenda reflected a broader spectrum of activities, such as facility renovation in older cities; development of trails and greenways linking cities and rural areas; construction of soccer fields in public school complexes; upgrading of water systems; restoration of habitat for endangered species; and even construction of mental health facilities.
- The number and outcome of these conservation and growth-related ballot measures varied by region. The Northeast, which has the nation's strongest traditions of land conservation and largest numbers of organized constituencies, had the most measures on the ballot (111) and the highest approval rate (86 percent). The West, now experiencing the nation's fastest growth rates, showed significantly increased ballot activity (56) and higher approval rates (68 percent) since 1996. The South continued to have the fewest conservation ballot measures, and the approval rate in the Midwest declined from 1996.
- Last fall's ballot measures included approvals for urban growth boundaries. Although most ballot measures provide funding for conservation programs and projects, a slew of urban growth boundaries were handily approved in California's Bay Area and Ventura County. Regulatory restrictions on development outside the limit lines, say advocates, provide the only sure way to assure compact, defined urban areas and productive, sustainable agricultural zones.
- Voters continue to be tax averse. The only new statewide tax on the ballot, in Georgia, failed. Approved statewide finance measures involved renewals of popular conservation programs (Minnesota and Arizona), environmental programs financed by bonds repaid from general revenues (Alabama, Michigan, and Rhode Island), or pledges of revenue set-asides from existing tax sources (Arizona, Oregon, and New Jersey). New local bonds and taxes fared better, perhaps because residents identified more closely with the projects that would be funded.
- Conservation ballot measures elicited strong constituency and grassroots engagement. Some hard-fought grassroots ballot measure campaigns saw a ratcheting up of their budgets and the level of involvement by national and statewide interest groups, including conservation organizations, planners, farmers, realtors, and developers. In several instances, sharp divisions developed within as well as between the groups on tactics and goals.

Some caveats about the ballot study should be noted. The 240 measures are not presented as a representative sample of the array of conservation actions reverberating in state houses, county seats, and city and town halls or the tens of thou-

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[1] See Phyllis Myers, "Voters Go for the Green," *Greensense* (published by the Trust for Public Land), Spring 1997, p. 3. Myers conducted a limited survey in 1997 for a report published by the National Conference of State Legislatures.

[2] Money estimates are approximate. They include authorized bonding authority and pay-as-you-go estimates where available.

sands of governments in the country. For the most part, these ballots reflect activism on parks and conservation issues, with citizens either working alone or with government officials to put initiatives on the ballots.

But other place-based constitutional and statutory requirements, traditions, and political considerations also account for what measures may come to ballot in one place and not in another. Minnesota and Connecticut lawmakers approved significant new conservation funding programs this year without triggering a requirement for voter consent, for example. Throughout the country, state legislatures are revising and revisiting laws governing conservation easements, local option taxes for conservation and open space, support for agriculture, partnerships with nonprofits, developer impact fees, and other tools and strategies where direct voter approval is not needed.

II. The Survey Results

State Resource Strategies, a private conservation policy consultant firm, conducted the survey of state and local parks, open space, and growth-related ballot measures appearing on Election Day ballots in November 1998. Relying on methods similar to those employed in 1996, the survey methodology combined electronic research with extensive interviews of state and local government officials, stakeholders in various campaigns, national advocacy organizations, and the media.

Overall, the success rate of state and local parks and conservation referenda identified in the survey was 72 percent, similar to that in 1996. Moreover, the 1998 survey identified 240 measures, more than 50 percent more than in 1996, triggering approximately twice as many new state and local dollars (see Charts 1 and 2). Geographically, there are important regional differences (see Charts 3 and 4). In both 1996 and 1998, the Northeast had the largest number of conservation ballot measures. The 1998 group included a bundle of local measures approved in New Jersey, Cape Cod, Massachusetts, and eastern Long Island. The Northeast has had a longer tradition than the rest of the country in planning and citizen involvement in conservation advocacy.

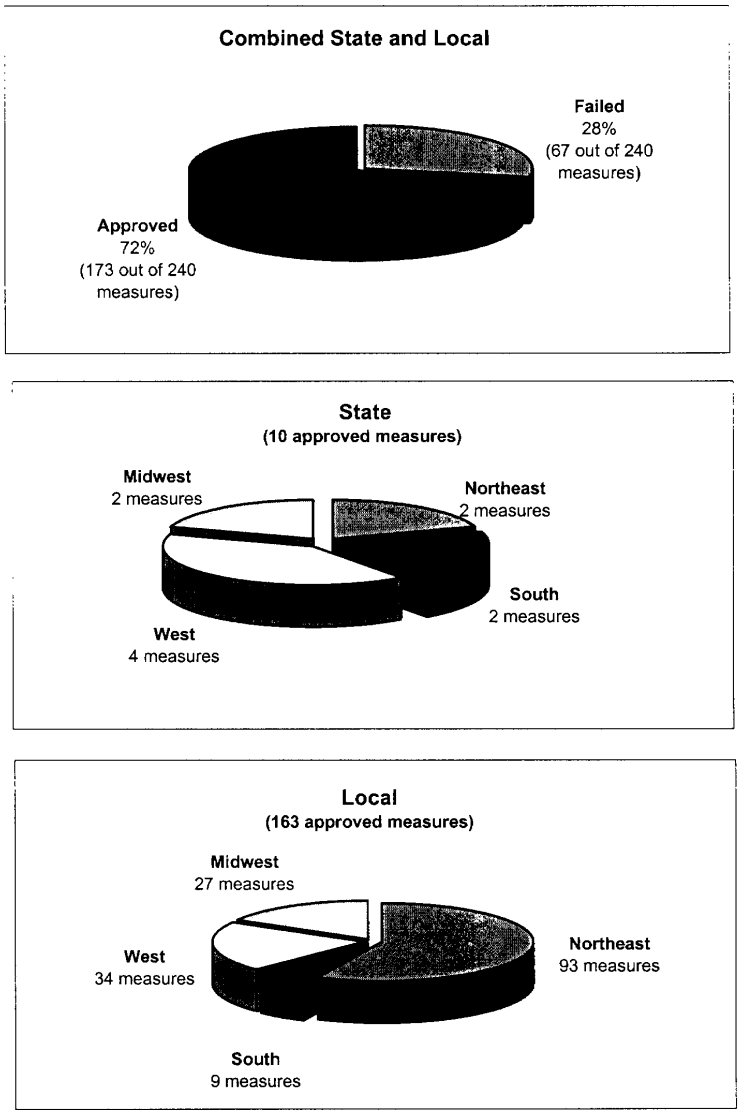
The South still had the fewest measures on local ballots, and the Midwest's approval rate declined somewhat, despite some successes in growth-related conservation levies.

An important new regional trend was the increase in dollars committed to parks, trails, resource protection, and open space in the West, where the nation's highest growth rates create unprecedented pressures on limited water, spectacular scenery, and long-held conservative traditions about property and government spending. Colorado's Douglas County, which floated a $160 million open space bond, led the list for approved large-scale funding in the region. Voters also overwhelmingly approved more modest first-time open space and trails bonds in fast-growing Bernalillo and Santa Fe Counties, New Mexico, and Park City, Utah, site of the 2002 Olympics.

Statewide Measures

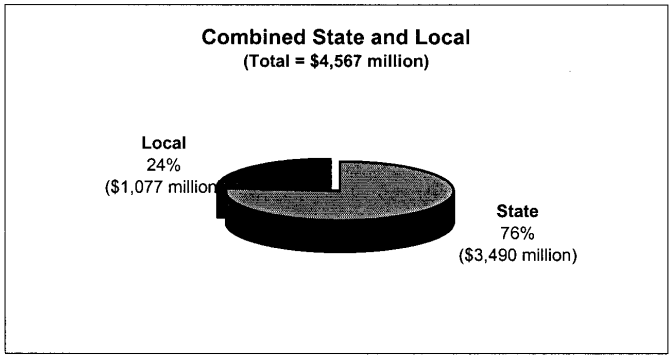
Of 13 statewide measures, 10 resulted in favor of conservation interests: 9 finance measures were approved while one proposal in Oregon was defeated. In 1998, more of the approved statewide measures were initiated or supported by the state's Governor than in earlier years. Governors, including New Jersey Governor Christine Todd Whitman, paid unprecedented attention to land conservation, environment, and growth-related initiatives in their state-of-the-state speeches early in 1998. Thus, fewer referenda appear to have been placed on last year's ballots as a result of citizen signature campaigns, although private environmental, conservation, and civic groups played an important role in formulating proposals and campaign strategies.

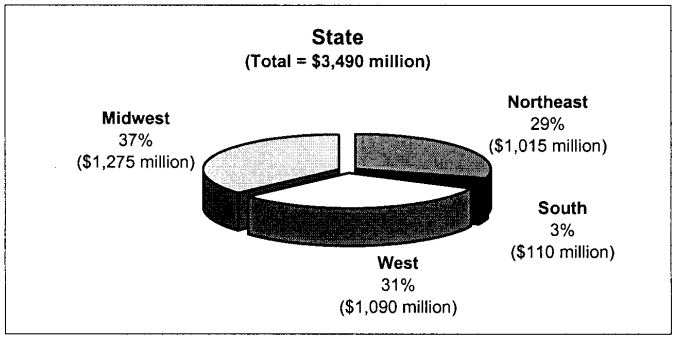
CHART 1. Election Day 1998: Approved State and Local Ballot Measures for Parks, Acquisition, and Land Conservation

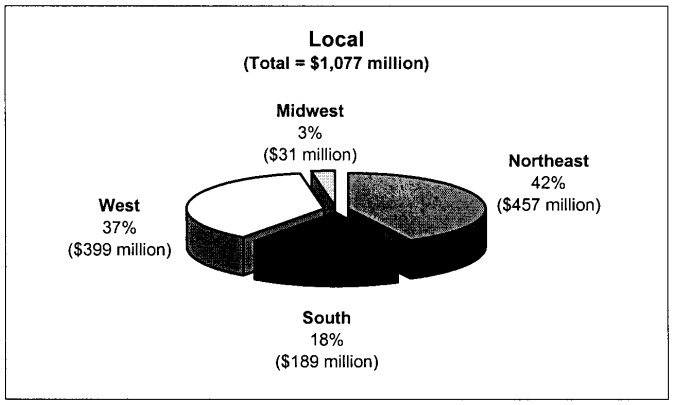


Source: State Resource Strategies.

CHART 2. Election Day 1998: State and Local Monies Committed to Parks, Acquisition, and Land Conservation by Region

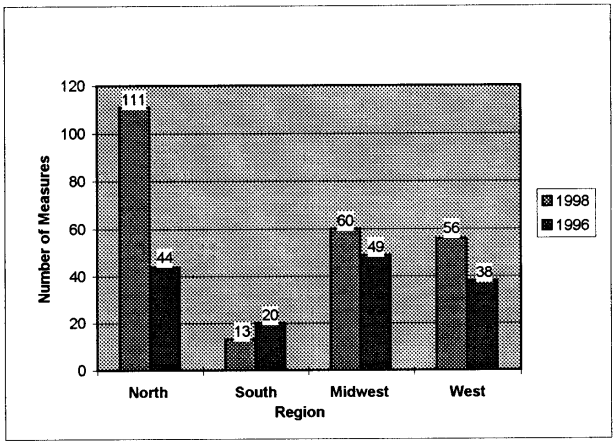






Source: State Resource Strategies. Totals include bonding authority and estimates of pay-as-you-go monies where available.

CHART 3. State and Local Ballot Measures By Region, Election Day 1998 and 1996



Source: State Resource Strategies (1998) and GREENSENSE (1996).

CHART 4. Conservation Ballot Approval Rates by Region, Election Day 1998 and 1996

	Approved Measures		Approval Rates	
	1998	1996	1998	1996
Northeast	95	43	86%	98%
South	11	15	85%	75%
Midwest	29	29	48%	59%
West	38	22	68%	58%

Source: State Resource Strategies and GREENSENSE.

The following is a typology of the 1998 state and local conservation ballot measures, arrayed by finance strategy.

General Obligation Bonds

Several state referenda asked voters to approve issuance of long-term general obligation bonds. Such debt financing is typically favored for capital investments in public infrastructure whose life extends over a period of years. There is strong competition for a share of the state's general obligation bonds, which are backed by the full faith and credit of government and carry the lowest interest rate. Most but not all states require a referendum for general obligation bonds. Revenue bonds, which are repaid with funds earned by the financed activity or pledges of an assured source of revenue, typically do not require voter consent. Bond funds cannot be spent on operations, routine maintenance, and programs.

1. Alabama: Improving State Parks and Historic Sites

Voters approved by three to one a constitutional amendment to issue a $110 million general obligation bond to develop, acquire, and renovate the state's parks and historic sites. This is the first statewide capital investment bond floated for Alabama's park system since the 1960's. The system, which has relied on user fees, has a large backlog of infrastructure and facility repair needs. Six million dollars is targeted for historic sites across the state.

2. Michigan: Protecting the Environment and Natural Resources

Voters overwhelmingly approved a $675 million Clean Michigan Initiative general obligation bond, supported by Governor John Engler, to finance environmental and natural resources protection programs to clean up and redevelop contaminated sites, protect and improve water quality, improve parks, prevent pollution, abate lead contamination, reclaim and revitalize community waterfronts, enhance recreational opportunities, and restore lakes, rivers, and streams. Debt costs will be covered through annual appropriations. The largest amount, $335 million, is targeted to brownfields.

3. New Mexico: Defeating Environmental Protection

Citizens voted against two small, narrowly focused statewide bond measures one for $620,000 to purchase endangered species habitat, and the other for $1,030,000 to finance a heritage center and trail system for the proposed El Camino Heritage Area along the Rio Grande River. Authority to issue bonds for land purchases to protect endangered species was approved by state lawmakers several years ago, mainly at the urging of The Nature Conservancy.

4. Rhode Island: Protecting Farmland, Parks, and Open Space

Rhode Island voters easily approved, by a two to one majority, a $15 million bond for protecting farmland and acquiring and developing bikeways, greenways, and state parks. The measure provides $5 million for state farmland easement purchases and park improvements and $10 million for regional and local bike paths and greenways, with an emphasis on local matching grants for projects consistent with the state's Greenspace and Greenway Plan. A few months before the vote, Governor Lincoln Almond announced support for a $50 million parks, watershed, and open space initiative that will finance the purchase of 35,000 acres by 2010.

"Pay-As-You Go" Measures

Pay-as-you-go measures provide ongoing funding from dedicated revenues such as taxes on property and sales, lotteries, or other sources. Because such financing facilitates multi-year planning and does not incur borrowing costs, these "stable funding sources" enjoy considerable appeal. A drawback (depending on the source) is the prospect of lower revenues when the economy slows down. Also, most revenues, even when earmarked, must be appropriated annually and are vulnerable to diversion to other activities. Greater protection for revenues may be secured (if state law permits) through constitutional provisions for a tightly controlled trust account into which revenues are deposited without requiring annual appropriation. Or, following approval of an assured dedicated source of annual funding, the anticipated revenue flow may be bonded to provide access to more funds upfront.

1. Arizona: Conserving Land

This constitutional amendment, approved by 53 percent of voters, provides for the appropriation of $220 million for 11 years primarily to finance purchases of easements and full title to environmentally sensitive state-trust lands. This funding, to be matched by local and private sources, is an important element in Governor Jane Hull's Growing Smarter legislative package of planning and zoning reforms. This growing interest in conservation has placed new tensions on the state's management of millions of acres of state trust lands, particularly those in the path of urban development. The state must now balance its responsibilities for managing its land legacy with maximizing trust earnings to support public education. The environmental community was divided in its support for the business-supported Growing Smarter program. A competing initiative backed by the Sierra Club would have authorized urban growth boundaries and developer impact fees, which are prohibited in the approved measure.

Arizona voters also handily approved continuation of the state's lottery, which has, since 1990, contributed $20 million annually to a Heritage Fund that is equally divided between state parks and wildlife programs.

2. Georgia: Rejecting New Taxes for an Environmental Protection Fund

Voters said "no," by a margin of 54 to 45 percent, to a proposed 1 percent increase in the real estate transfer tax to finance a new land, water, wildlife, and recreation heritage fund approved by state lawmakers and supported by popular outgoing Governor Zell Miller. The measure, which would have raised an estimated $40 million a year for 4 years for the fund, was backed by a coalition of leading national and statewide conservation, recreation, and historic preservation organizations.

3. Minnesota: Protecting the Environment and Natural Resources

More than three-quarters of Minnesota citizens said "yes" to a 25-year extension of Minnesota's Environment and Natural Resources Trust Fund to 2025. Established in 1988, the "perpetual and inviolate" trust fund is structured to create a sustainable endowment to support such activities as: habitat protection, watershed planning, river cleanup, wetlands restoration, trails and parks, and environmental education. Thus far, the fund has awarded 177 grants and disbursed some $82.8 million from its annual set-aside of 40 percent of net lottery proceeds, while contributing steadily to a growing endowment. The fund is expected to generate revenues reaching $50 million a year by 2010. A 20-member legislative commission oversees the fund's budget and strategic plan; a citizens committee appointed by the Governor advises the commission.

4. New Jersey: Preserving Open Space

New Jerseyans approved, by two to one, a set-aside from existing sales tax revenues to help protect half of New Jersey's developable land, a million acres, in the next decade. The measure also authorized bonding of the annual set-aside, which is expected to help secure a $1 billion bond to help accomplish the land protection goal. Billed as "pennies for preservation," this measure was advanced by Governor Whitman as part of a comprehensive statewide initiative to revitalize older cities, invest in existing infrastructure, and foster balanced economic development. The statewide ballot measure was complemented by votes in 55 counties and towns to increase or levy modest property taxes or issue bonds for farmland protection, historic preservation, open space acquisition, and stewardship.

5. Oregon: Protecting Parks and Natural Habitats

Two-thirds of Oregon voters approved a citizens initiative to earmark an estimated $45 million annually from an existing lottery set-aside for 15 years for "Parks and Salmon." Specifically, the moneys will be equally divided between creation and renovation of state parks, historic sites, and beaches, and a new fund to restore and enhance native salmon habitat, river corridors, watersheds, and wetlands. The fund will be managed under a single state agency, to be designated in the next legislative session. The agency's mission will also include the implementation of the Oregon Plan for Salmon and Watersheds, which is being developed in concert with Federal agencies and other stakeholders. The state's plan to protect habitat and rescue endangered species around Portland and Eugene enhances the Willamette Valley's much discussed growth management efforts.

NEW AUTHORITY/REGULATION

1. Florida: Financing Conservation Land Purchases and Recreation

More than 70 percent of Florida's voters approved a constitutional amendment that permanently extends the state's authority to issue revenue bonds to finance land acquisition and outdoor recreation improvements. Revenue bonds, repaid by a set-aside from the state's lucrative documentary tax on real estate sales, have financed the state's expiring $3 billion, 10-year Preservation 2000 program. The popular program has facilitated the acquisition of a million acres of environmentally sensitive land and, according to local studies, spurred new businesses, increased land values, attracted eco-tourists, and saved public funds by reducing the need for costly infrastructure to serve outlying residential development. During the state's gubernatorial campaign, both major candidates gave strong support to a successor program, which is likely to allocate a larger share of funds for urban and metropolitan open spaces, recreation, and trails.

2. Oregon: Blocking Potential Efforts to Stymie Growth Management Decisions

Voters defeated a constitutional amendment that was vigorously opposed by advocates of Oregon's innovative land use law. The measure would have enabled 2 percent of voters, or 25,000 persons, to petition for legislative approval of an administrative rule. Inaction by lawmakers would have killed the rule unless it were approved again by a state agency and adopted by state lawmakers the following year. The measure was seen as especially directed against urban growth boundaries. This is a "confusing and unnecessary" measure, said the Salem Statesman, arguing that laws in place provide numerous opportunities for public involvement in administrative decisions.

Local Measures

Of the 240 measures identified in the survey, 226 ballot measures were considered in counties, towns, cities, and special districts. Of these, 163 measures were approved, amounting to about one-fourth of the total estimated dollars approved by

voters on November 3rd. While the local measures represent a small proportion of funding approved last year, they are a telling indicator of growing grassroots interest in conservation, outdoor recreation, and open space funding and programs. While most of the approved measures provide dollars directly through bonds or pay-as-you-go authority, the approved measures also include 19 regulatory and 4 advisory measures.

The majority of local ballot measures involved conservation finance. They included 49 bonds and 91 pay-as-you-go measures 76 property tax assessments (many in New Jersey) and 15 miscellaneous taxes, including set-asides from general sales taxes, real estate transfer fees, and a lodging tax.[3]

Bonds

The bonds include a nearly $76 million park and greenway general obligation issue in Austin, Texas, an important element in the city's smart growth initiative.[4] Austin's smart growth strategies include incentives for development in selected priority zones, neighborhood involvement in community investments, and purchase of parklands, greenways, and open space. Bond financing of green improvements was proposed to increase recreational services for under-served residents in lower-income neighborhoods and attract new residents to these communities. Austin voters also approved a $19.8 million revenue bond, financed by utility rate increases, that will buy more land in the west, where settlement impinges on water quality and threatened species.

Smaller bonds for parks and open space were approved in: fast-growing Johnson County, Kansas, to buy land for the first regional park in two decades; in Arlington and Fairfax Counties, Virginia, for facility development as well as parkland acquisition; in Wake Forest, North Carolina, a growing bedroom community outside of Raleigh, for land acquisition and park improvements, and in Bernalillo and Santa Fe Counties in New Mexico for open space, trails, and historic spaces.

Two city park bonds on the November ballot were rejected in Portland, Oregon, and Los Angeles, California. Since a sizable regional park and open space bond had been approved in Portland a few years ago, voters may have been confused about the need for this measure. In Los Angeles, the measure failed because the 59 percent vote in favor of the bonds was not enough to meet the two-thirds majority required by the state to approve this spending increase.

Bonds to finance park improvements were approved in Denver, Colorado, and Eugene, Oregon. The Eugene measure will retrofit older neighborhoods with playgrounds and sports facilities and acquire land for new parks in growing neighborhoods. A Eugene planning official says green amenities help ease pressure to relax Eugene's urban growth boundaries as population in the city's urban neighborhoods increases.

Pay-As-You-Go Measures

Fifteen towns in Cape Cod approved new 3 percent property tax assessments to finance open space acquisition. Most towns had earlier rejected a real estate transfer tax proposal to fund land banks. Realtors who opposed that initiative delivered on a promise to support a tax that shared the burden. An editorial in The Cape Codder advised readers that the assessment about $50 a year on average was a sound investment to protect property values.

In Ohio, where most parks are managed by independent districts that seek funding directly from voters, expanding suburbs near Cincinnati, Akron, and Columbus approved property tax measures to finance conservation and nature-based recreation. Although the ballots are technically "replacement levies" and do not involve an increase in the tax rate, these measures will raise significantly more money because property values have risen since the rate was last approved.

Several measures around the country, including the property tax assessments in Cape Cod, real estate transfer taxes in Long Island, local sales tax set-asides for parks in Missouri, and county open space bonds in New Mexico, illustrate the pivotal role that state enabling authority is playing in expanding community funding options for conservation. Recently approved state enabling authority, all of which re-

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[3] Statistics on the number and amount of bonds versus pay-as-you-go measures are approximate, since communities may bond an ensured annual revenue flow to provide more money upfront. This is not always evident in the ballot measure. Jefferson County's $160 million bond, for example, which will finance land purchases to curtail sprawling growth around Denver, is secured by a local sales tax approved by voters at an earlier election.

[4] Austin's program seeks to modify the path of growth away from environmentally sensitive areas in the city's western sections and encourage revitalization of the downtown and principally poorer, ethnic neighborhoods in the east.

quired voter consent, triggered some 30 new revenue streams for parks and open space in the November 3rd election.

Regulations

In recent years, increasing attention has been given to non-regulatory, incentive-based, voluntary measures for conservation. However, voters' support in November 1998 for new regulations may have revealed public frustration with underfunded voluntary measures and a growing desire to better control zoning changes, public infrastructure investments, and other government decisions perceived to encourage development of land on the edge of metropolitan areas.

Voters in seven communities in California's rapidly growing Bay Area and Ventura County stood almost solidly behind the adoption of urban growth boundaries to draw a firm line between development and outlying agricultural land. The Ventura County measure prohibits rezoning of agricultural land in unincorporated areas for the next 20 years, unless approved by another public vote. For the first time, says Jim Sayer of Greenbelt Alliance, a leading advocate for the Bay Area's 15 growth boundaries, more limit lines have been initiated by voters than by officials. In Sayer's view, this gives people more clout in difficult decisions ahead that will impact on the effectiveness of the boundaries. California, unlike Oregon, has no statewide law requiring consistency among levels of government with growth boundaries.

Voters turned down a citizens' initiative in San Diego City and County, California, that would have rezoned almost 600,000 acres of rural agricultural lands to 40 and 80 acre parcels. San Diego is the site of the nation's most ambitious effort to guide development on the basis of science-based conservation plans designed to protect habitat for multiple species while providing developers with assurances about future development. The Sierra Club and others view the massive rezoning as a stronger way to restrict development on sensitive lands. Critics claimed that it was unfair to small farmers, a theme that appeared elsewhere in the country in opposition to measures that would have financed purchase of farmland development rights.

San Diego voters did approve two amendments to the general plan which allow more urbanization of several thousand acres of ranchland as well as provide mitigation for lost sensitive habitat, including $160 million for a new preserve and recreational open space. The amendments were presented to voters as arising from a consensus of environmental organizations and the local planning board.

Voter distrust of official decisions is evident in several other measures. Residents of Scottsdale, Arizona, approved a charter amendment calling for a public vote before lands placed in the Sonoran preserve are sold or leased. Voters in Southhampton, New York, said "yes" to a measure calling for a public vote on any proposed changes to protected lands. Residents in Clark County, Nevada, the fastest growing region of the U.S., affirmed a conservation plan for managing a large desert preserve, which also calls for voter consent to proposed changes.

Advisory Ballots

Advisory ballots are, as the name implies, placed on the ballot to provide elected officials with a sense of voters' views on proposed measures, especially when they involve new taxes. While officials are not bound to follow voters' decisions, they may either commit in advance to do so or feel it is politically wise to do so.

There were a few advisory measures in 1998. In Scottsdale, Arizona, the advisory measures concerned doubling the size of McDowell Sonoran Preserve, a protected area of scenic mountains and desert, where purchases are financed by a sales tax set-aside. In California's Bay Area, the measure sought public opinion on expanding the East Bay Regional Park District to include spectacular coastal lands in San Mateo County. Both measures were decisively approved. Another measure sought voter advice in Clark County, Nevada, on whether to finance water system improvements with utility rate increases alone or in combination with a sales tax increase. Voters opted for the latter.

Failed Measures

Of the 240 measures in this survey, 67 failed at the ballot box. Three of these were statewide measures and 64 were local measures. In general, failed measures are perceived to result from an overly narrow focus, too little preparation, or overconfidence in voter support for a vague green measure. For these reasons, it is not unusual to see a measure defeated by voters in previous elections resurface and be approved after its provisions and campaign strategy have been redesigned.

The reasons for the defeat of two of these conservation measures in 1998 one statewide and one local are more complex. In these two measures, supporters knowingly ventured into risky territory, backing new taxes in regions where political support for conservation and land acquisition had been weak. The high-stake outcomes

generated substantial resources to campaigns by both advocates and opponents. These defeats, described below, serve as a reminder of the difficult challenges that remain despite growing popularity for conservation and smarter growth.

1. Georgia: Real Estate Transfer Tax

The Georgia measure, fashioned by an alliance of national and state conservation, environmental, historic preservation, and recreation groups, proposed a 1-percent increase in the real estate transfer tax to finance a Land, Water, Wildlife, and Recreation Heritage Fund approved by state lawmakers earlier in the year. The modest fee increase, a doubling of the existing rate, would have raised about $40 million a year for 4 years. Promoted as a land acquisition legacy for outgoing Governor Zell Miller, the measure earmarked 75 percent of the funds for land acquisition and 25 percent for recreation grants.

Campaign officials attributed the defeat to the difficulty of getting public approval for a tax increase and to opposition by realty and building interests to using the real estate transfer tax for conservation. Supporters argued that the real estate transfer tax had a logical nexus with real estate activity and financed a number of well-regarded programs elsewhere in the country, often with the support of business interests who saw its value in encouraging quality development. Opponents said that the tax unfairly selected certain people to pay for conservation, especially elderly homeowners and young buyers, raised the cost of housing, and dampened the economy.

The modest size of the proposed tax increase was an issue. It failed to lure support and also may have diminished fervor among advocates, given the breadth of activities covered in the initiative. In addition, garnering support for a growth-related tax proved difficult in a state with varied growth challenges. Sprawl was a major campaign theme in the Atlanta region, which was recently ranked by the Sierra Club as the nation's most egregious example of formless, unplanned expansion. In the state's poorer rural communities with stagnant economies, however, the major themes and messages were clean air, clean water, and family values, not sprawl.

In retrospect, close observers also questioned the campaign strategy which relied on well-financed TV spots and heavy mailings, editorial endorsements, and support from such luminaries as Jimmy Carter, but failed to cultivate the grassroots sufficiently. In the last weeks of the campaign, opponents, including real estate interests and developers, mounted an effective neighborhood campaign with billboards, yard signs, stickers, and peer-to-peer phone calls largely directed against the tax, not the issues.

2. Washtenaw County, Michigan: Property Tax Assessment

The measure in Washtenaw County, Michigan, advanced by a coalition of farmers and urban, planning, and conservation interests after several years of study, proposed a small property tax increase for 10 years. Projected to raise some $3.5 million annually, the multi-pronged measure proposed to spend 75 percent of the revenues for land conservation, including buying open space and development rights to farmland, and 25 percent for urban revitalization and planning.

In the post-election reprise, supporters saw the unexpected defeat mostly as a sign of resistance to a new tax but also to the complexity of the proposal. "We failed to communicate the vision that connects the pieces," observes Keith Schneider of the Michigan Land Use Institute. A media photo opportunity showing urban mayors from Detroit and Ann Arbor in a farmers' market intended to demonstrate the common interests of farmers and cities may have backfired. Opponents argued that the measure unfairly placed the economic burden of land protection on small farmers and relayed this message through quiet networking among farmers and others in the last weeks of the campaign.

Explaining its failure to endorse the measures, the influential Ann Arbor News agreed that poorly planned growth created "aesthetic, economic, transportation, and other public-service problems," but questioned the efficiency of using public funds for voluntary purchases of farmland development rights, although it also recognized that some "randomness" was inevitable in a program crafted to work with willing sellers.

Schneider also believed that state support would have been helpful in leveraging local support. In Massachusetts, the Governor held out $15 million in state matching grants as incentives for Cape Cod towns that voted for land banks.

As in Georgia, opponents of the Washtenaw measure said that they supported the goals of the measure but disagreed with the approach.

III. Implications of the 1998 Survey

Both the 240 state and local conservation measures on the ballot in November 1998 and the $7.5 billion revenues they will trigger may be a record. Although the

only comparative data are from a 1996 survey, there are solid reasons to support this conclusion.

Decentralizing trends over the past decade have seen states and local governments take on a more active programmatic and finance role in many policy areas. Federal programs to assist environmental and community development programs have either been cut back or re-crafted to better respond to and leverage state and local successful models. At the state level, consumer confidence and low interest rates have helped increase the pace of residential and commercial development at the suburban edge and have provided the wherewithal to finance the conservation side of a balanced growth agenda. Also, tax limit measures have increased the number of finance measures that go to ballot to override the limit or allay officials' nervousness about raising taxes.

While the trends have been building up for some time, there is clearly a difference in the tempo today. The November 3 ballot measures provide a window into that difference.

1. Communities throughout the country are showing a willingness to finance green infrastructure with locally raised revenues.

While the details vary between Cleveland and Akron, Ohio; Dade County, Florida; Barnstable County, Massachusetts; Bernalillo County, New Mexico; the Front Range, Colorado; Portland, Maine; and Portland, Oregon, citizens are showing a willingness to pay for close-to-home conservation measures. Mainstream political leadership for these measures is growing. Rapid transfer of information through the media and the internet provides real-life examples to stimulate other communities with similar concerns about conservation and growth.

2. Although it is useful to look at these ballot measures as a whole, it is also important to understand their variety in finance methods, governance, and political alliances and strategies.

While a number of measures in the survey are garden-variety funding for parks and recreation funding, others are influenced by broader visions and alliances that, at their most ambitious, would integrate a multi-dimensioned conservation program into other state programs for revitalizing cities, economic development, and increased equity.

The measures do not all fit easily in a land acquisition or anti-sprawl template, although a number do. Rather, they reflect a spectrum of programs supported by the alliance working to craft and campaign for these measures. The package may include tourism, farmland preservation, watershed protection and water quality, brownfield conversion, easement purchases, endangered species protection, historic preservation, and new trails.

The measures may include dollars for urban as well as suburban parks, and facility renovation as well as land acquisition, and funds for operations as well as capital investments. However, sometimes a narrowly focused measure has the greatest chance of approval.

3. This election saw an increase in regulatory measures, although most of the measures provide funding for incentive-based voluntary programs and projects.

The increase in regulatory ballot measures such as urban growth boundaries and a proposed massive rezoning of agricultural land in California, expansion and management of an Arizona preserve, and a substantial increase in developer impact fees in Bozeman, Montana may represent public frustration at the failure to enact broader incentive-based programs, or the shortcomings of existing planning and land purchase programs. These regulatory measures may also show the continued validity of the planners' mantra, "you can't buy it all," and the importance of both regulatory and incentive-based programs in balanced growth.

4. Despite the high approval rate for these conservation measures, they are not easy wins.

Conservation ballot measures are political as well as financial actions, and a high success rate reflects astute crafting of measures and campaigns. Voters are not simply saying "yes" to green measures. Successful measures typically are quite specific about purpose, projects, funding, and process how the measures will be implemented, where, how much they will cost, and what the decision process will be. Some conservation ballot measures benefit from the advice of professionals working for such conservation groups as the Trust for Public Land, Nature Conservancy, Conservation Fund, and American Farmland Trust. This election also was accompanied by national and state farming, realtor, and development associations increasing their monitoring of local measures; campaign spending rising on all sides; and important differences about land issues and tactics emerging within and among constituencies. "Our members are divided on these issues," a spokesman for the National Association of Home Builders remarked, "so we have not adopted any national position."

5. While the ballot measures and the campaigns show increased mainstream support for conservation and financing tools and dollars, they do not by themselves constitute a call for the complex measures needed to achieve change in urban and metropolitan form.

By their very nature, these ballot measures at best set the stage for the broader convergence of land conservation with growth management, as demonstrated by the expanded programs advanced by Governor Parris Glendening in Maryland and Governor Whitman in New Jersey. In New Jersey, voters approved long term state and local financing for conservation measures, not the whole program to promote jobs, create affordable housing, restore brownfields, assure good schools, and foster inner city and suburban equity.

The outcome of decisions on all these programs, and their integration in an effective, financed state plan will have considerable bearing on whether the New Jersey measure simply moves growth around (which still could be an important accomplishment) or seriously reins in metropolitan settlement.

California editor William Fulton writes, "Land use is a funny business. You can pass a ballot initiative, but you can't stop the conversation." While urban growth boundaries are designed to be the last word, they are "not an end but a beginning," says Fulton, urging people on both sides of this hard-fought election to "get on with it," accepting the boundaries as the basis of Ventura County land policies yet recognizing that growth and change will not stop. He points to positive decisions on housing and retail siting forced by a divisive earlier boundary election and growing consensus among former opponents.[5]

As exemplified by California's urban growth boundaries and New Jersey's dramatic billion-dollar land initiative as well as hundreds of large and small programs around the country, the challenge ahead for states, localities, and the Nation as a whole lies in translating the ballot box statements into actions and alliances for on-the-ground change in the older settled areas and edges of America's expanding metropolitan regions.

LETTER FROM THOMAS B. STOEL, JR.

March 26, 1999.

SEN. JOHN CHAFEE, *Chairman,*
Committee on Environment and Public Works,
United States Senate
Washington, DC 20510.

DEAR MR. CHAIRMAN: I am an environmental attorney and consultant here in Washington. I have studied the issue of urban sprawl and broader issues of land management in connection with a book I am writing on U.S. environmental policy. I have written an article on urban sprawl that is scheduled to appear in the May 1999 issues of Environment magazine.

My work has led me to the conclusion that the Federal Government should do more to help states and localities address the problem of urban sprawl. I request that the enclosed statement suggesting the need for specific actions, including the enactment of a law establishing a Federal program of grants to support appropriate state land-use planning efforts, be included in the record of the Committee's March 17–18 hearing on open space and environmental quality. You are to be congratulated for holding this important hearing.

Thanks very much for your attention. I was sorry to hear of your decision to leave the Senate. You have been an outstanding leader in the field of environmental protection.

Sincerely,

THOMAS B. STOEL, JR.

STATEMENT OF THOMAS B. STOEL, JR.

Mr. Chairman and distinguished committee members: Thank you for allowing me to submit a statement at this very important hearing. Urban sprawl has serious adverse impacts on our environment and quality of life. It has assumed a prominent place on the political agenda. It is important that the Federal Government play an appropriate role in dealing with it.

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[5] Los Angeles Times, November 15, 1998.

I am Thomas B. Stoel, Jr., an environmental attorney and consultant in Washington, D.C. I have studied the issue of urban sprawl and broader issues of land management in connection with a book I am writing on U.S. environmental policy. I have written an article on urban sprawl that is scheduled to appear in the May 1999 issue of Environment magazine.

The most important point I wish to make is that we cannot reach good decisions about the role of the Federal Government unless we recognize that urban sprawl is a regional phenomenon. Urban sprawl occurs when low-density commercial and residential development extends farther and farther from central cities. In the absence of governmental action, the location and shape of sprawl in a metropolitan region depends on economic imperatives and does not correspond to political boundaries.

Since sprawl is a regional phenomenon, it follows that some form of regional control is necessary if we are to alter the pattern of low-density sprawl. That proposition is endorsed by many of the leading experts in the field. Jonathan Barnett, a professor of urban design, asserted in his book The Fractured Metropolis that regional regulation, in the form of an urban growth boundary, is essential because "Without the boundary there is a continual tendency for urbanization to leapfrog outwards, seeking cheaper land prices, fewer rigorous regulations, and less community opposition." Anthony Downs an urban affairs expert at the Brookings Institution, has said: "Relying solely on individual communities to adopt growth management plans without any overall planning or coordination is like relying on a group of subcontractors to build a house with no overall blueprint." Richard Moe, the President of the National Trust for Historic Preservation, who testified at this hearing, declared in his book Changing Places that actions by states are essential because " [s]tates alone have the ability to see the regional picture and have the legal reach to sort out complicated political and economic issues."

Much of the testimony before this Committee concerned the need to preserve open spaces and green spaces. That is an important objective. Saving green spaces makes life more livable for those who live nearby, helps to conserve wildlife and ecosystems, and reduces water pollution. But preserving green spaces won't change the pattern of sprawling development in a metro area unless those green spaces form an effective regional barrier in the form of a greenbelt. Otherwise, we may do no more than create green islands in a sea of sprawl, a pattern that is apparent in the region around Washington, D.C.,and in other metropolitan areas.

There also was testimony about the desirability of steering development toward central cities and brownfield areas. That too is a desirable goal. But in view of the complex economic and social forces that are responsible for urban sprawl, making brownfields development easier and more attractive may have a relatively small impact on the overall course of sprawl in a metropolitan region.

When our society is faced with difficult problems, we sometimes pour resources into actions that are appealing and popular but are incapable of effecting real solutions. We cannot afford to let this happen with regard to urban sprawl because of failure to recognize its true character.

Many people find it difficult to acknowledge that sprawl is regional in nature and requires regional answers. After all, urban sprawl is a problem of land use, and many Americans believe that land use should be dealt with at the local level. Yet it is evident that city and county of finials, acting within the boundaries of their individual jurisdictions, cannot solve important problems associated with urban sprawl. They can alleviate some of the effects of sprawl, through such actions as acquiring green spaces. But they cannot act effectively to prevent other consequences, such as traffic congestion stemming from metropolitan traffic patterns and increased water pollution due to runoff from low-density subdivisions in many parts of a metropolitan region.

In theory, sprawl might be addressed through voluntary cooperation among the political jurisdictions within a metro area. However, that approach does not appear to have succeeded in any large metropolitan region in this country, and it is easy to understand why. Every large metro area consists of numerous cities, counties, and towns, with different interests that are bound to conflict. The political of finials charged with representing the interests of those jurisdictions will be reluctant to give up their power to make key decisions. Powerful economic forces are sure to object to a binding regional pact. Together, these factors seem certain to prevent the long-term, areawide cooperation that would be required to deal effectively with sprawl.

The Federal Government has recognized the need for areawide cooperation when there is a strong Federal interest. The governmental authorities in major metro areas are required to cooperate, via a Council of Governments, in combating air pollution and designing transportation systems that depend on Federal funding. But

it is generally conceded that the Federal Government should not play such a prominent role concerning other aspects of sprawl. Americans do not want so many decisions to be made in Washington. Most of those who recognize the regional nature of urban sprawl have concluded that the best approach is for states to provide a framework that permits effective regional actions. A number of U.S. states have acted in this way. Their methods have varied. Hawaii, with it unique geographical setting, places most of the power over land use in the hands of the state. Oregon requires each city in the state to designate an urban growth boundary. Maryland and other states use state powers, including the power to distribute state funds, to create incentives for localities to direct growth in ways that reduce sprawl, an approach known as "Smart Growth."

Against this background, what role should the Federal Government play? Most of the actions recommended by witnesses and Senators at this hearing make sense; indeed, many of them would confer benefits that extend beyond the alleviation of sprawl. Those actions include full funding of the Land and Water Conservation Fund; Better America Bonds and other elements of the Clinton Administration's "Livability Agenda"; and careful examination of relevant Federal policies and actions, including decisions regarding the siting of Federal facilities, to ensure that they do not contribute to sprawl.

Desirable as they may be, none of these actions would do much to encourage states to address the regional dimension of sprawl. To achieve that objective, I recommend that the Congress enact a law establishing a Federal program of grants to support appropriate state land-use planning efforts. The grant program I am recommending would be similar to the one established by the Federal Coastal Zone Management Act (CZMA), enacted in 1972. The CZMA has been highly successful, and is a major reason why every coastal state now engages in planning for its coastal zone.

Almost three decades ago, in 1970, President Nixon proposed to the Congress a statute like the one I am suggesting. Designed by Nixon's environmental adviser Russell Train and Train's staff at the President's Council on Environmental Quality, that law would have used the prospect of Federal grants to induce states to undertake land-use planning efforts aimed at controlling development on lands that fulfilled important natural or aesthetic needs. An important goal of the statute I am recommending would be to encourage states to recognize the regional nature of urban sprawl and create frameworks that facilitate regional planning in areas that are threatened by sprawl.

No state would be required to apply for the planning grants I am recommending. Nor would the law I am suggesting prescribe the kind of land management program that participating states should ultimately adopt. The Coastal Zone Management Act, for example, simply requires that a qualifying management program must include certain planning processes and coordination mechanisms; that it must define "what shall constitute permissible land uses and water uses within the coastal zone"; and that it must identify "the means by which the State proposes to exert control over [those] land uses and water uses." See 16 U.S.C. sec. 1455.

The statute proposed by President Nixon was passed by the Senate but eventually was defeated in the House, after opponents mounted a deceptive scare campaign. Had that law been enacted by the Congress a generation ago, it is unlikely that our country would have experienced so much of the low-density sprawl that is troubling our citizens today. We cannot afford to allow sprawl to continue unchecked for another generation. The success of the Coastal Zone Management Act suggests that a program of Federal planning grants would be an effective, nonintrusive way of encouraging states to address this very important problem.

STATEMENT OF MARY ANNE PIACENTINI, EXECUTIVE DIRECTOR, KATY PRAIRIE CONSERVANCY, HOUSTON, TX

Mr. Chair and Members of the Committee: I appreciate the opportunity to provide comments on the problems and solutions to the environmental impacts of growth in the Houston, Texas area. The Katy Prairie Conservancy is a nonprofit organization located in Harris and Waller Counties, Texas. The Conservancy is committed to preserving a sustainable portion of the Katy Prairie for its wildlife and for all Texans, forever.

The Katy Prairie, designated a Biosphere of International Significance by the United Nations, is home to the densest concentration of migratory waterfowl in North America—serving as the wintering ground for birds in the Central Flyway. The Prairie also provides habitat to migrating shorebirds and raptors such as Peregrine Falcons and Bald Eagles along with more than 200 species of birds, including

songbirds, herons, and ibises. In addition, the Prairie provides cover and food for 55 species of mammals, such as the White-tailed Deer, and 55 species of reptiles and amphibians, such as the Red-eared Slider Turtle. In addition to its habitat value, the Prairie's rice fields, wetlands, and creeks offer critical flood protection downstream.

The Katy Prairie once covered more than 500,000 acres. Since 1978 more than 160,000 acres of Prairie have been lost to development. Today, there are only 200,000 acres of remaining prairie. A seemingly insatiable demand for residential homes in the area and the proposed extension of the Grand Parkway from Interstate 10 north of Highway 290, have fueled a tremendous amount of land speculation on the prairie. Developers have the funds to develop the Katy Prairie now. We do not have the funds to protect the prairie.

If we are to save the Katy Prairie we must raise millions of dollars from private and public funding sources. We have recently embarked on a major fundraising campaign to enable the Conservancy to purchase or protect at least 30,000 acres and ideally 60,000 acres. To date, we have only 2,000 acres under ownership or protection.

The only thing we lack to accomplish our goals is money. The Better America Bonds program would allow the Katy Prairie Conservancy and its partners funding to secure the land today.

We support the Better America Bonds program and encourage you to support this program to help local communities protect special places like the Katy Prairie.

STATEMENT OF JOHN GRIFFITHS, CHAIRMAN, METRO PARKS AND GREENSPACES ADVISORY COMMITTEE, BEAVERTON, OR

Mr. Chair and Members of the Committee: I appreciate the opportunity to comment on the problems and solutions to the environmental impacts of growth in the greater Portland, Oregon area, an area that encompasses 1.3 million residents across three counties and 24 different cities. In addition to our current population, projections show our area adding 720,000 new residents by the year 2040. My home county (Washington County) has, at times, been listed as the fastest growing county in the United States because of its high tech boom.

Portland's metropolitan area is unique within our country in that the citizenry has seen fit to create a single agency to provide for region-wide growth planning, transportation planning, and open-space preservation. Known as Metro, this agency occupies a niche above the county level but below that of the state. While Metro has done a good job on the planning side, its small tax base has limited its ability to provide open space preservation to the extent of its charter. An exception is a $ 135,000,000 bond measure passed in 1995 to fund Metro's open space acquisition in 14 "regionally significant" target areas. At present 4,000 acres have passed into public ownership. By the time the funds are exhausted it is expected to that a total of 6,000 acres will have been purchased.

While admirable, the above acquisitions just scratch the surface. The exhaustion of the bond funds will leave large gaps within the regional target areas that can easily be developed by private parties without reference to the surrounding public ownership. Also, the recent Endangered Species listing of salmon runs in our region will require the acquisition and restoration of thousands of additional acres of streamside and spawning grounds. Finally, there is a plethora of smaller requirements within the region for which funds are not available at all. At present I am party to a grassroots movement dedicated to stopping a high-density residential development that is surrounded on three sides by the only nature park in our county. This development will lead to the severe degradation of the park, an asset treasured by the community. The park would not now be under this threat if funding had been available to acquire the parcels in question.

The only item we lack to meet our obligations is funding. Otherwise the will, the drive, and the intent are there. Local bonds cannot do the job alone. New requirements that successful Oregon bond measures be accompanied by at least a 50 percent voter turnout have added to the risk of acquiring funds in this manner. The Better America Bonds program would allow Metro and Portland's municipalities significantly increased resources for and a relatively risk-free method of meeting their greenspace preservation obligations.

I support the Better America Bonds program and encourage you to support this program to help local communities protect their special places. . . before they're gone forever.

STATEMENT OF ERIC DRAPER, SENIOR VICE PRESIDENT FOR CONSERVATION CAMPAIGNS, NATIONAL AUDUBON SOCIETY

LESSONS FROM FLORIDA: GROWTH MANAGEMENT RELIES ON $4 BILLION INVESTMENT IN PUBLIC LAND

Mr. Chairman, thank you for the opportunity to offer comments on Community Growth and the Environment. Audubon is a family of nearly one million members and supporters, 515 chapters and more than 100 sanctuaries and nature centers dedicated to education and advocacy on behalf of birds, wildlife and habitat.

My testimony follows the March 3 voter approval by 66 percent of a $150 million environmental bond issue in Palm Beach County, Florida and the November, 1998 statewide vote by 73 percent for permanent extension of Florida's $300 million a year land preservation program. Having led the campaigns on those two issues and other legislation and referenda creating bond programs as a solution to local growth challenges, I feel uniquely qualified to address the subject of your hearing. Environmental bonds are so popular in Florida, the Governor and the leaders of each house and each party have competing proposals—all of them extending our state's investment in public land by billions of dollars.

My comments will lead to five points. First, growth as represented by residential and commercial development outside town centers is taking a heavy toll on habitat. Second, lessons from places such as Florida show that citizens support both growth and habitat protection at the same time. Third, in-fill strategies such as brownfields redevelopment take pressure off habitat. Fourth, water resource restoration is a vital, but largely unaddressed issue in community growth strategies. Finally, the smartest of smart growth ideas is to finance open space programs with a new Federal environmental bonding program.

HABITAT LOSS IS A MAJOR IMPACT OF GROWTH

As a community-based organization Audubon is on the front line of the environmental impacts of urban and suburban growth. Our members attend zoning meetings, challenge development permits, buy land and restore habitat. The problems of sprawl are a very real challenge for almost every Audubon chapter. The experience of seeing a favorite birding spot cleared is common to most active Audubon members. From our ranks come many of the local leaders whose common plea is to save some for the birds and wildlife. Loss of habitat is occurring in virtually every part of the nation. Birds migrate and need places to nest, stage and winter. Forests, prairies, swamps and fields all provide home to birds. Yet, more than 90 watchlist species are in critical decline because of habitat loss. Our members are very concerned.

Growth of human communities usually comes at the expense of natural communities. Residential and commercial development alters habitat. While creating new space for people is necessary, we see benefit of growth strategies that set aside some special places and open space. Our recommendation is Congress enact a program to help communities finance local land and water resource protection.

THE PUBLIC SUPPORTS INVESTMENTS IN GROWTH MANAGEMENT

I would like to share some observation and conclusions reached over the past decade in Florida. Our state ranks near the top in population growth and the conversion of farmland and habitat into residential and commercial development. We've gone from about 3 million people in the early fifties to over 15 million today and may hit 20 million in another two decades. Every year we build 800 miles of roads, add 730 classrooms and build more jails. Yet, we find only more traffic congestion, school crowding and packed prisons. Every day we lose 450 acres of forest and 410 acres of farmland. This in a state with a landmark growth management law.

In 1985, the Florida Legislature attempted to bring growth, environmental protection, education planning and infrastructure into a single strategic statewide policy. Each of the 430 cities and counties was required to have a land use map designating areas of infrastructure, housing plans, conservation areas and groundwater protection and other elements. Maps show urban service areas where infrastructure is provided and growth is planned. Florida's rules specifically discourage "the proliferation of urban sprawl."

Many local governments used their plans to designate conservation and recreation lands or open space. To pay for land protection local governments turned to voters to seek approval of property tax increases to back land acquisition bonds. With a 90 percent approval rate, 20 counties and several cities have generated a nearly $ 1 billion in local funds for land protection.

During same period the Legislature created a program called Preservation 2000 which calls for $3 billion in environmental land bonds. Since 1990, Florida has issued bonds worth $300 million a year, spending in several years more than the Federal Government spent nationwide on land acquisition. Approximately one million acres of land have been purchased under auspices of Preservation 2000, much it designated by local government plans.

The relationship between land protection bonds and growth management has been profound. In the fragile Florida Keys, growth has been limited to 200 units a year in spite of 25,000 vested lots. The local government uses state funds to buy development rights. The Green Swamp's 200,000 acres, source of Tampa's drinking water and four rivers, are off limits to developers but landowners can sell conservation easements to the state.

The lessons from Florida show that land protection plans in many cases follow but don't precede development pressure. Governments tend to wait to buy the last of available open space instead of investing wisely before the market is overheated. Where bonds have allowed government to get in front of the development curve, we now have forests and parks worth many times their purchase price. Where protection efforts fell behind, we are paying inflated prices for remaining fragments of habitat and open space.

The most important lesson from Florida's $4 billion investment in local and state land protection bonds is that it has allowed preservation to move along the same path as economic growth which creates the flow of government revenue to pay off the bonds. Florida's ever-expanding budget has easily absorbed all of the bond payments.

URBAN INFILL REQUIRES INVESTMENTS IN REMEDIATION AND RESTORATION

Two other Florida examples support the concept of environmental bonds. The Governor's Commission on a Sustainable South Florida has recommended in-fill strategies for Southeast counties. Residential development now borders the levies that hold water inside the Everglades. Holding the development line at the levies requires redevelopment of land near the coast, including former industrial and hazardous waste sites. Throughout Florida, redirecting growth into revitalized urban cores and previously developed coastal areas will take pressure off habitat.

Florida also faces a large challenge with restoring our aquatic systems, many of which were damaged through ill-conceived drainage schemes. Water resource protection and restoration can yield economic and environmental benefits for decades but require costly public works projects. Revitalization projects offer excellent opportunities to correct previous mistakes in handling storm water and drainage. Wetlands and urban watersheds can be recreated to make water resources a value-added component of urban neighborhoods. Requiring developers to shoulder the costs of watershed improvement and brownfield remediation creates a barrier to redevelopment. Bonds supported by tax credits provide an excellent tool for urban infill, brownfields and extensive water resource protection.

ENVIRONMENTAL BONDS—SMART TOOLS FOR LIVABLE COMMUNITIES

Florida, and other state and local governments could benefit from environmental bonds leveraged by tax Federal tax credits. federally supported bonds would help state and local governments finance the costs of open space and water resource protection and brownfields remediation. Comparable to other programs such as the successful Low Income Housing Trust Credit and Qualified Zone Academy Bonds, communities could issue environmental bonds by pledging Federal tax credits in lieu of interest payments.

State and local governments facing rapid expansion of population and urban boundaries need to freeze the costs of land protection while increased revenue from growth creates the means to pay. Environmental bonds backed by Federal tax credits will allow land values to be locked in at present prices while minimizing carrying costs. Tax credits are an excellent method of leveraging outcomes. The availability of tax credits will create a market for both institutional and private investors looking for secure, income-producing opportunities.

There is a pent-up demand for new tools and techniques to help communities deal with the pressures and problems of growth and with the challenges of land and water restoration. The most immediate and obvious solution is to authorize a program of bonds backed by tax credits limited to financing open space and land and water remediation. As with the Florida experience, growth and protection can proceed on parallel paths. Thank you.

[From The Heritage Foundation Backgrounder, March 18, 1999]

THE PRESIDENT'S SPRAWL INITIATIVE: A PROGRAM IN SEARCH OF A PROBLEM

(By Wendell Cox)

For decades, American urban areas have grown in land area much more than they have grown in population. This geographic expansion is often attributed to increasing dependence on the automobile and construction of the interstate highway (freeway) system. A relatively new school of urban planners, the "new urbanists," blame the expanding urban area for a number of problems, including increased traffic congestion, higher air pollution, the decline of central cities, and a reduction in valuable agricultural land. (New urbanist policies also go by the label "smart growth"). Moreover, new urbanists believe that more spacious urban areas typical of the United States are inherently inefficient relative to more compact cities, exhibiting higher costs for infrastructure and public services.

Recently, the issue of "urban sprawl" received top billing at a White House event at which President Bill Clinton and Vice President Al Gore announced their Livable Communities Initiative, which, it was promised, would reduce traffic congestion, promote cleaner air, preserve open spaces, and retard urban sprawl. To achieve these objectives, Clinton and Gore propose to provide the suburbs with additional funds for mass transit and loans to buy land for parks and greenbelts. Their initiative also would assign to the Department of Housing and Urban Development the responsibility for encouraging and financing "smart growth" strategies to encourage "compact development" and regional cooperation.

The New Urbanism

New urbanist literature often touts Europe's more compact and more densely populated urban areas as being superior to those in the United States. The new urbanist vision includes:

- Establishment of urban growth boundaries (UGB).
- Channeling urban development toward "in fill" (undeveloped areas within the urban growth boundary).
- "Transit oriented development" along urban rail corridors, higher population density, and higher employment density.
- Little if any expansion of street or highway capacity.
- Retail developments less oriented toward the automobile (smaller stores with less parking located generally in town centers rather than suburbs).

The new urbanists believe that these strategies will produce a more compact city in which automobile dependency, traffic congestion, and air pollution are reduced. New urbanist concepts have been incorporated into a number of state laws and regional planning policies. In the United States, the most advanced model of new urbanist policies can be found in Portland, Oregon, where a long-range plan has been adopted by an elected regional government.[1] This plan involves an urban growth boundary;[2] concentrated employment and high-density housing patterns, such as town houses and apartments; significant expansion of the light rail system; and little street or highway expansion.

New urbanist policies, especially as adopted in Portland, have evoked considerable interest among legislators, local officials, and civic leaders around the world. There are, however, difficulties with new urbanism, both in terms of analysis and in terms of policies.

Analytical Difficulties

The facts demonstrate that major tenets of the new urbanism rest on false premises. Contrary to new urbanist doctrine, for example:

Traffic congestion is greater, not less, in the compact city

Higher concentrations of urban residential and employment density will produce higher concentrations of automobile traffic (and air pollution). This is already evident. Contrary to new urbanist claims, traffic congestion is already worse in urban areas with higher densities.

- Urban areas with higher levels of traffic congestion, as measured by the Federal Governments Roadway Congestion Index, have higher population densities (see

[1] The regional government has ultimate control over land use and zoning issues and requires that local municipal plans and ordinances conform to the regional plan.

[2] The urban growth boundary requirement was imposed by state law in the 1970's. At that point, the urban growth boundary was established well outside the limits of development. In recent years, development has approached the urban growth boundary.

Chart 1).[3] This is to be expected, since higher density means less road space on which to accommodate the high volume of private vehicle traffic.

- Transit-oriented development increases traffic congestion. Except in a very few centers, such as Midtown Manhattan and Chicago's Loop,[4] a majority of trips are by automobile. The overwhelming majority of travel to proposed transit-oriented developments—which include high-density housing, retail, and employment located around transit stations, especially rail—will be by automobile (new employment centers attract from six to 100 times as many automobile commuters as transit commuters). The higher concentrations of employment and residences therefore must bring an increase in automobile trips in the area. This will strain road space, slowing traffic and increasing pollution as a consequence.

Air pollution is greater, not less, in the compact city

Higher levels of air pollution are associated with higher densities, not lower densities. Generally, the greater the intensity of air pollution, the higher the population density (see Chart 2).[5] As transit-oriented development increases traffic, it will reduce speeds and increase pollution, because higher pollution is associated with slower, more congested traffic. To the extent that new urbanist policies are implemented, air pollution is likely to be increased relative to levels that would be experienced in less dense environments.[6]

Cities are not crowding out agricultural production

Expanding urban areas do not threaten agricultural production Since 1950, U.S. agricultural acreage has fallen by 15 percent, while production has risen by more than 105 percent (see Chart 3). The area required for agricultural production has declined, quite independently of urban expansion.

Between 1960 and 1990, the area taken out of agricultural production was greater than that of Texas and more than eight times the area consumed by expanding urban areas (see Chart 4). At current rates of urban expansion, it would take more than 250 years to urbanize the amount of agricultural land taken out of production between 1960 and 1990.[7]

There is more to urban land expansion than interstate highways

Urban expansion is far too complex to be blamed simply on the automobile and interstate highways. First of all, urban interstates largely were not open until the early 1960's (the Interstate Highway Act was enacted in 1956). Yet the suburbs already were gaining population at the expense of the central cities.

During the 1950's, the major central cities that did not expand by annexation lost approximately 5.0 percent of their population. Similar rates of pre-interstate urban population loss occurred in the 1960's (7.2 percent) and 1980's (5.7 percent).[8] Only during the 1970's was the rate significantly higher, at 14.6 percent. Other factors, such as escalating crime rates, the urban riots of the 1960's, and declining educational performance in central city school districts, probably were much more responsible for flight from the central cities.

Indeed, the 1970's, during which urban flight was the greatest, followed closely on the urban unrest of the 1960's and was also a period of particular deterioration with respect to the crime rate and educational performance. Additional contributing factors included higher central city taxes, lower quality central city services, and increasing affluence, which allowed people the option of living in larger houses on larger lots.

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[3] Calculated from 1996 Roadway Congestion Index as developed by the Texas Transportation Institute of Texas A&M University for the United States Department of Transportation.

[4] Private vehicles (automobiles and trucks) carry more than twice as many work trips as transit to all but nine central business districts in the United States.

[5] Randall O'Toole, "Dense Thinking," Reason, January 1999, based on U.S. Environmental Protection Agency data.

[6] Because of the continuing improvement in air pollution that is attributable to improved vehicle emission technology, aggregate levels of air pollution could be reduced from present levels even with the higher concentrations of automobile traffic that would result from new urbanist policies.

[7] Typical of the invalid data on which new urbanist proposals are based, President Clinton indicated that "farmland and open spaces are disappearing at a truly alarming rate. In fact, across the country, we lose about 7,000 acres every single day." This might be alarming if it were true. Such a rate would consume an area the size of Ohio every decade. In fact, however, the President's figure is off by a factor of nearly three. See "Remarks by the President and Vice-President on Announcement of Lands Legacy Initiative,"January 12, 1999; available on the Internet at www.whitehouse.gov/WH/New/html/19990112–1036.html.

[8] With lower population growth projected for the United States, it is expected that the rate of urban land expansion will continue to decline.

Lower public service costs are associated with lower, not higher, densities

Despite the popular misconception, public service costs tend to be lower where population densities are lower.[9] There are a number of reasons why the reality differs from the theory on urban costs. For example, the larger, more dense local government units tend to have larger bureaucracies, and their political processes are more susceptible to special-interest control. Both of these factors tend to increase costs.[10]

"Smart growth" could be no growth

Increasing density and growth restrictions are likely to have a negative impact on economic growth in metropolitan areas adopting new urbanist policies. For example, even Portland's new urbanist regional government (Metro) found that higher densities and lower automobile usage rates appear to be associated with "higher housing prices and reduced housing output."[11]

As a result of higher housing prices, new urbanist policies are likely to make the American dream of home ownership more elusive. By limiting housing output, they are likely to limit job creation in construction trades and allied fields. Further, discouraging construction of additional suburban shopping centers can be expected to raise the cost of living while retarding job growth even more. Broad implementation of new urbanist policies could well bring to the United States the economic stagnation that afflicts Europe, where minimal job creation and high unemployment are associated with a high cost and less competitive economy.

Portland's policies will produce more traffic congestion and air pollution, not less

Portland's new urbanist policies will not deliver lower levels of traffic congestion and air pollution. Portland's regional government, Metro, has stated that "[W]ith respect to density and road per capita mileage it (Los Angeles) displays an investment pattern we desire to replicate."[12] In fact, Portland is well on the way to replicating the traffic congestion problems of Los Angeles.

Traffic congestion in Portland already is approaching that of the New York metropolitan area—which is 15 times larger—and Portland projections indicate that, even after building five additional light rail lines,[13] traffic volumes will use by more than 50 percent by 2015. It is estimated that Portland's Roadway Congestion Index will rise to 1.62 from its current 1.16 (see Chart 5). This would represent a worse level of traffic congestion than is currently experienced by Los Angeles (which has the highest Roadway Congestion Index in the nation).

Portland seems to have chosen a future with two million cars in 500 square miles instead of 600 square miles. It can be expected that air pollution will be greater as a result.[14]

Europe is suburbanizing, too

European cities are suburbanizing, despite their higher population densities, more comprehensive transit systems, higher gasoline prices, lower income[15] and more focused cities.[16] Like their American counterparts, many European central cities have lost population.

- No freeways enter the central city of Pans, which has one of the world's most intensive rail transit systems. Yet Pans's central city population loss and suburban population explosion mirror those of Philadelphia, a metropolitan area that has experienced similar overall growth (see Chart 6). At the same time, both traffic con-

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[9] For example, see Helen F Ladd, "Population Growth, Density and the Costs of Providing Public Services," Urban Studies, Vol. 2 (1992), pp. 273–295, and Wendell Cox, Local and Regional Governance in the Greater Toronto Area: A Review of the Alternatives, City of Toronto, 1997.

[10] Cox, Local and Regional Governance in the Greater Toronto Area: A Review of the Alternatives.

[11] Metro Measured (Portland, Ore.: Metro, 1994), p. 45.

[12] Ibid., p. 8.

[13] It is less than certain that these lines will be built. In November 1998, voters in Portland turned down a bond issue to build the next line.

[14] Vice President Gore has provided another example of the invalid data used to promote the new urbanist agenda. In a September 2, 1998, speech to the Brookings Institution, he indicated that "a new light rail system has attracted 40 percent of all commuters" in Portland. In fact, Census Bureau data indicate that only 5.4 percent of commuters used transit and that the vast majority of these commuters were on buses, not light rail. During the 1980's, when light rail was opened, transit's work trip market share dropped by one-third in Portland.

[15] Organization for Economic Cooperation and Development (OECD) purchasing power panty basis.

[16] Christian Gerondeau, Transport in Europe (Boston, Mass.: Artech House, Inc., 19975.

gestion and air pollution are severe. Average automobile travel speed in the city of Paris is 12.5 miles per hour.[17]

- Inner London and Manhattan (inner New York) lost similar percentages of population over a period of 40 years until 1990–1991 (25 percent and 24 percent, respectively).
- The cities of Copenhagen, Liverpool, Manchester, and Glasgow lost approximately 40 percent of their population in the past 40 years. By comparison, Detroit and Cleveland lost 45 percent, Newark lost 39 percent, and Washington lost 32 percent. In each of these European and American cities, all growth was suburban growth.
- The central city of Stockholm has lost 16 percent of its population since 1950, with all growth occurring in the suburbs.

The same pattern is occurring in other developed nations as well.

- While San Francisco's population was rising by 1 percent from 1970 to 1990, Toronto's fell by 8 percent and Montreal's fell by 20 percent.
- Tokyo's population has fallen by more than two million since 1960, with all population growth occurring in the suburbs.

Central area populations have fallen in virtually all cities in the developed world.[18] In most cases, the declines are masked by population added through annexation or consolidation. In fact, central area depopulation and suburban expansion have been occurring for some time. Inner London began losing population between 1901 and 1911, while Manhattan began losing population between 1910 and 1920. Central area depopulation was first noted in Philadelphia between 1820 and 1830, as people moved to the suburbs.[19]

The depopulation of central cities in Europe and other developed nations is particularly notable because these cities generally did not face important factors that contributed to the depopulation of U.S. central cities, such as high crime rates, urban riots, forced busing, falling education standards, freeways, and home mortgage tax deductions. In addition, Europe's much stronger land use policies, higher suburban land costs, and overall higher cost structure might have been expected to forestall suburbanization.

Europe's comparatively high public transit market share has led to the mistaken impression that transit is gaining at the expense of the automobile. This is not the case. European automobile use has grown at three times the U.S. rate since 1970, largely as a result of increasing affluence.

In recent decades, transit market shares have dropped from even higher levels in Europe as increased affluence has made the automobile affordable for more people. In Europe (as in the United States), urban rail's record in attracting people away from automobiles has been insignificant: No such transfer has taken place.[20] Europe's trend toward higher automobile dependency and lower transit market shares is following U.S. trends by a decade or two, just as its rising affluence has followed U.S. trends.

Urban growth boundaries will not reduce traffic congestion or contain growth

By imposing urban growth boundaries, new urbanists hope to force higher densities and infill development. No material increase in density is likely to occur, except where the urban growth boundaries encompass wide expanses of undeveloped land (as was the case in Portland when its urban growth boundary was established).

Even Portland's draconian policies are projected to increase densities to a level less than that of Los Angeles. Portland will continue to have densities barely one-quarter those of Paris, which is highly automobile dependent except in the inner city. While new urbanist policies may produce small reductions in average automobile miles traveled per capita, the increasing traffic congestion is likely to generate a more than compensating increase in the average hours per capita traveled by automobile. This will increase air pollution and retard the quality of life by reducing leisure time.

Urban growth boundaries have a long history of failure with respect to containing growth.

- Queen Elizabeth I established an urban growth boundary in London in 1580.[21] Development continued outside the urban growth boundaries.

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[17] Ibid.

[18] In North America, only one city that has not annexed new territory and was fully developed by 1950 has increased in population: Vancouver??

[19] Kenneth T. Jackson, Crabgrass Frontier: The Suburbanization of the United States (New York: Oxford University Press, 1985), p. 318.

[20] Gerondeau, Transport in Europe, p. 87.

[21] Stephen Inwood, A History of London (London: MacMillan, 1998), p. 192.

- King Louis XIII established an urban growth boundary in Paris in 1638. It failed to contain development, as did subsequent urban growth boundaries established by Louis XIV and Louis XV.[22]
- London imposed an urban growth boundary by purchasing a "Green Belt', surrounding the city in the 1930's. Since that time, London's population density inside the Green Belt has fallen as 1.5 million people have left the city, Inner London's population dropped 43 percent, while that of outer London (the pre-1940 suburbs inside the Green Belt) rose 12 percent. Population in the surrounding counties increased 273 percent[23] as development "leapfrogged" across the urban growth boundary to exurban areas beyond the Green Belt (see Chart 7), The 1931 census indicated that 19 percent of the population was outside what was to become the Green Belt, The 1991 census showed that more than one-half of the population was in the outer counties.

The Fundamental Problem

Despite all the criticism, America's spacious urban areas provide significant advantages. Their very geographical expansion has provided a safes; valve that has kept travel times relatively stable.[24]

- Average peak hour commuting time fell approximately 6 percent from 1969 to 1995 (from 22.0 minutes to 20.7 minutes).[25]
- The automobile has improved travel times. According to the United States Department of Transportation, one of the most important reasons that average commuting time has not increased materially over the past 25 years is that people have abandoned transit services for automobiles, which are considerably faster.[26] The average transit commute trip takes approximately 80 percent longer than the average automobile commuter trip (see Chart 8).[27]
- The flexibility of the automobile has improved the efficiency of labor markets, making a much larger market of employers and employees conveniently accessible to one another.
- The competition provided by large suburban shopping malls and retailers has lowered consumer prices.

The spacious urban area, with its increased retail competition and more efficient labor markets, has helped to create a comparatively low-cost economy in the United States. It is likely that these advantages have contributed to America's unparalleled standard of living.[28]

This is not to suggest that traffic congestion is not a problem. But today's urban motorist experiences much greater mobility and speed than can be provided by any practical alternatives. The question is not how governments are going to force people out of their cars, but whether capacity will be provided for the traffic growth that will occur regardless of which measures are adopted. Unless the automobile is accommodated, traffic can and will get much worse. Few places in the United States experience the intractable traffic congestion that is a day-to-day occurrence in the largest centers of Europe, despite higher densities, rail transit, and strong land use controls.

The fundamental problem with the new urbanism is that, despite aggressive planning policies, it is incapable of either increasing densities or materially improving the match between origins and destinations sufficiently to make alternatives to the automobile viable. Much stronger land use policies and much higher densities in suburban Stockholm failed to produce the anticipated reliance on rail transit, as automobile use continued to increase substantially.[29] It is "neither certain nor self

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[22] Johannes Willms, Paris: Capital of Europe (New York: Holmes & Meyers, 1997), p. 3.

[23] This compares to national population growth of 22 percent over the period.

[24] Peter Gordon and Harry W. Richardson, "The Costs and Benefits of Sprawl," The Brookings Review, Fall, 1998.

[25] Calculated from Nationwide Personal Transportation Survey.

[26] Our Nation's Travel: 1995 NPTS Results Early Report, U.S. Department of Transportation, Federal Highway Administration, September 1997.

[27] Calculated from Nationwide Personal Transportation Survey, 1995.

[28] According to the latest OECD data, the United States had the highest gross domestic product per capita of any major nation (on a purchasing panty power basis, which measures cost of living). One small nation was higher: Luxembourg, with 418,000 people (1996), would rank 94th if it were a U.S. metropolitan area, just ahead of Modesto, California.

[29] Sir Peter Hall, in Cities in Civilization (New York: Pantheon, 1998), pp. 842–887, describes the resistance of Stockholm area residents to planning dictates which required that suburban development be on rail lines and at higher housing densities. In recent years, most new housing has been single-family detached, and automobile dependency has increased.

evident" that new urbanist policies, if they were to occur, would reduce traffic congestion.[30]

The New Suburbanism

The new urbanist city would be only marginally more dense than today's spacious city, and travel patterns would be little different. The overwhelming majority of travel would continue to be by automobile. Even more than today, American urban areas would remain far below the "critical mass" that would generate significant ridership and too dense to avoid intractable traffic congestion. As a result, consistent with the plans of Portland, the higher density would worsen traffic congestion. The simple fact is that more cars in a more compact area mean more traffic and more air pollution, not less.

A more appropriate term than "new urbanism" might be "new suburbanism." At most, new urbanist policies will produce small enclaves of somewhat higher density surrounded by a sea of low-density suburbs. New urbanist policies could hasten the coming of a new suburbanization, with a much less dense urban sprawl than already has been experienced. More people are likely to choose to live outside the urban growth boundary, in smaller communities which gradually will become larger and more urban. More businesses are likely to locate outside major urban areas. Residents inside urban growth boundaries will make longer journeys to shop at the new, larger retail establishments in exurban areas.

New urbanist policies are being proposed at the very time that information technology (such as the Internet) threatens to make urban centers less important. Already, major urban centers have few advantages over medium and smaller sized urban areas. Generally, these smaller areas have virtually everything that major centers have except for international airports.

Conclusion

Previous generations of urban planners imposed their visions of a better city through policies such as urban renewal and construction of high-rise public housing. These planners believed in their theories just as devoutly as do today's new urbanists. It is not impossible that to analysts a quarter century from now, the new urbanism will seem every bit as anti-city as any of the failed policies of the past.

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[30] Randall Crane, "Travel by Design," Access: Research at the University of California Transportation Center, Spring, 1998.

OPEN SPACE AND ENVIRONMENTAL QUALITY

WEDNESDAY, JULY 7, 1999

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Las Vegas, Nevada.

GROWTH AND LIVABILITY IN THE LAS VEGAS VALLEY

The committee met, pursuant to notice, at 9 a.m. in the Las Vegas City Council Chambers, Las Vegas, Nevada, Hon. Harry Reid [acting chairman of the committee] presiding.

Present: Senator Reid.

Also present: Senator Bryan and Representative Berkley.

OPENING STATEMENT OF HON. HARRY REID, U.S. SENATOR FROM THE STATE OF NEVADA

Senator REID. The Committee on Environment and Public Works of the U.S. Senate is called to order. Ladies and gentlemen, we welcome you to this hearing.

I spent the Fourth of July in Searchlight, and Monday night, late, about 10 o'clock at night, I came over the hill, Railroad Pass; usually I make those trips to Searchlight and come back in the daytime. This was the first time in a long time that I had come over that hill at night, and it was stunning, what I saw. To think what it used to be, and what it now is: as far as you could see to the left, as far as you could see to the right, were lights, lights of the metropolitan area of Las Vegas. It was impressive to look down on the little town that I used to call "small," Henderson, where I came to go to high school out of Searchlight. It used to be a little industrial community. It is now the second largest city in Nevada. It recently passed Reno as the second largest city in Nevada. That's part of the panoramic view that Landra and I saw as we came over the hill. Gone was the Las Vegas that, as recently as 1970, was the 200th largest city in the United States population list. Now, of course, it is the most popular resort destination in the United States, and perhaps in the world—Las Vegas, a place that becomes home for a day or two, or three or four, for hundreds of thousands of people from around the world.

The growth in Clark County has been all over Clark County. Little Mesquite has grown 400 percent in the last 7 years. We have had to provide land for the city of Mesquite on two separate occasions so that they would not wipe out their greenbelt, to provide a place for them to grow, and now we are legislatively looking to give them more land, because the growth in Mesquite is insatiable, it seems.

People are coming to southern Nevada for lots of reasons. One is their jobs. There is affordable housing. We have no State income tax. There is very nice and warm weather, as we have recognized the last few days. And, of course, there is entertainment galore, and a healthy climate with more than 300 days per year of sunshine. It's a great place to live.

However, all this breathtaking growth has come at a price. In recent years we have begun to see daily traffic jams, once unheard of. I traveled from my office about 7 o'clock last night to go up and visit my daughter in the Summerlin area. There was a traffic jam; at 7 o'clock t night there was a traffic jam.

Of course, we have developed air quality problems. We have been working for more than a decade now on water quantity problems, water quality programs. We have a vanishing green space. In short, we are a metropolitan area.

So I think it is incumbent on all of us to do what we can to maintain the high quality of life that we have come to expect in southern Nevada. It is a part of our life that we want to maintain. Of course, we have traffic problems; of course, we have water quantity problems; of course, we have air quality problems. But still, it is a great, great place to live, and we have to make sure that we maintain that. We have to make sure that we learn from the experiences of others in other communities, how they developed problems that really got so far out of hand that they couldn't handle them. We need to be able to handle our problems.

The Federal Government owns 87 percent of the land in the State of Nevada. Whether we like it or not, the Federal Government is a player in what goes on in Nevada. But we have to make sure that the Bureau of Land Management, the Environmental Protection Agency, the Department of Transportation, the Bureau of Reclamation, the Army Corps of Engineers—and on and on, with the different Federal agencies—that they are partners with State and local government. Frankly, I think that those of us who work in Washington would recognize that that has not always been the case.

One of the reasons for this hearing is to do what we can to make sure that that partnership is something that is now part of the portfolio of all Federal agencies that work in Nevada, that they are partners with State and local governments. The future of southern Nevada rightfully belongs to southern Nevadans, and we have to make sure that the Federal Government understands that. Gone are the days, we hope, when the different levels of government in southern Nevada could get away with working independently. We have to make sure they work with one another.

This committee, under whose auspices we are holding this hearing, is the Committee on Environment and Public Works. I am going to be very fortunate in the next Congress, when I will be the lead Democrat on the committee. I will replace the ranking member now, Max Baucus, who will become the chairman of the all-important Finance Committee. That's why I am very happy that Senator Baucus has seen fit to have one of his staff here today. I am happy that he is here representing the Environment and Public Works Committee, but all of you who are involved in gaming recog-

nize the importance of the Finance Committee, and he will be the lead Democrat on the Finance Committee in the next Congress.

[The prepared statement of Senator Reid follows:]

Senator REID. I have a couple of housekeeping items that I want to go over before we start this hearing this morning.

First of all, Dina Titus, who has been a local leader on growth issues, is unable to be here this morning. She is out of the city, but she sent a letter; this will be made a part of the permanent record. I am very grateful for the work that Senator Titus has done. She is certainly one of the pioneers in recognizing the problems of growth in this area.

[The referenced letter from Senator Titus follows:]

Senator REID. This is an official hearing of the Senate Environment and Public Works Committee. Everything that is said here today will be taken down and will be part of an official record of the U.S. Senate. All written statements in support of this hearing—or in opposition to what we talk about here—will be made a part of the permanent record, and we are going to make sure that this will be part of my web site. People will be able to dial in and pick up on everything that takes place here.

As I indicated, Chris Miller, working for Senator Baucus, is here today. We appreciate that very much.

Senator Chafee, the full committee chairman, was unable to be here, but Senator Chafee has participated in hearings like this previously in Nevada. We had a hearing where he chaired that hearing. As some of you may recall, we really amazed him and caused wonder in his mind about the growth problems in southern Nevada. I believe that hearing was one of the main reasons we were able to do so well in the last surface transportation bill, because of his holding the hearing in southern Nevada a year and a half or so ago.

You will see up here some lights. We're going to try to make sure that everyone testifies no more than 5 minutes. You will be able to tell because a red light will come on when you've used up your time.

We're going to begin the hearing today with my colleagues from Washington, Senator Bryan and Congresswoman Berkley. Congressman Gibbons was unable to be here today.

As you know, Senator Bryan and I have had a longstanding relationship and friendship. I personally am going to miss him very much 18 months from now. He has been a great leader in these issues relating to growth. The fact is that he lived in Las Vegas and saw firsthand what Las Vegas used to be like. I used to come over once in a while for groceries from Searchlight with my parents, but he has seen this phenomenal growth take place.

Congresswoman Berkley, of course, also as a young girl recognized what took place and what is now taking place as she has hit the ground running in Washington as a Member of Congress in my old Congressional District.

Senator Bryan is a member of the U.S. Senate.

Welcome. I hope you can spend some time up here, participating in the questions and whatever else is necessary. You are invited to come up if you like.

Senator Bryan?

STATEMENT OF HON. RICHARD H. BRYAN, A UNITED STATES SENATOR FROM THE STATE OF NEVADA

Senator BRYAN. Mr. Chairman, thank you very much.

Let me just preface my comments by commending you not only for convening this hearing, but for the leadership you have provided on the committee on which, as you point out, you will soon be the ranking member. I don't think people understand how important that is to us in southern Nevada, but that gives you, as you know, Mr. Chairman, the premiere role in every piece of legislation that is processed by the committee, and that is extremely important for us in southern Nevada. We are fortunate to have you in that position.

Let me just ask unanimous consent that my full statement be made a part of the record so that we can compress the time and allow some of our other witnesses, perhaps, to engage in greater dialog with us.

As you were parting the veil of nostalgia and we were looking back on our own youth, you are so right, southern Nevada today is profoundly different. The mantra of our school years was that Nevada was the least populated State, that there was one person for every square mile, that everybody could be seated in the Los Angeles Coliseum for a sporting event, every person in Nevada.

Well, that is not the reality of today. I remember the first time that I heard the word "smog" sometime in the early 1950's, and I thought, well, what is this? I didn't understand it. I think people in Nevada did not comprehend what we were talking about.

Well, that was then, and today is now. And managing this unprecedented growth in a manner that sustains development and provides and promotes a healthy environment is perhaps the greatest challenge that we face in southern Nevada. The growth has been extraordinary, as we all know, unprecedented. No other part of the country has experienced this level of growth, and it becomes a real challenge—traffic congestion, school overcrowding, infrastructure delivery, air quality, land use planning are a handful of issues that currently confront community leaders.

I think, Mr. Chairman, you are extremely wise to convene this hearing in a city hall because primarily those issues affecting our growth are decisions which local community leaders, our local elected officials, will make. But I think you are also quite correct in indicating that because of the extraordinary presence of Federal agencies—the 87 percent that you made reference to—there is a role for the Federal Government to play in a partnership relationship. You and I have begun that role with the passage of legislation which we sponsored last year, the Southern Nevada Public Lands Act, which provides a unique framework, the primary purpose of which was to strengthen the role of local government planning with respect to any disposal of BLM lands the metropolitan area. That has not historically been a dialog that has matured as we had hoped, and with this legislation, none of those parcels can be disposed of without the concurrence of the affected local political subdivision, and all of the proceeds from the sale of those parcels remain here in Nevada; 5 percent, as you know, toward our State School Fund; 10 percent to the Southern Nevada Water Authority, and the remaining eighty-five percent either for the acquisition of

additional environmentally sensitive lands for recreational purposes, or to enhance and improve those existing Federal recreational facilities which clearly have an impact on a quality of life issue which I think is so important for southern Nevada.

So I am delighted to be here with you, and I would like to share a part of the program, but I'm not going to be able to stay for the full time, Mr. Chairman.

Again I commend you on your leadership. I think this is terribly important for all of us in southern Nevada, and I look forward to working with you and our colleagues who speak next on this important growth-related issue that affects our State and our community.

Senator REID. Congresswoman Berkley?

STATEMENT OF HON. SHELLEY BERKLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEVADA

Ms. BERKLEY. Thank you, Senator Reid, for giving me the opportunity to speak this morning. I want to commend you for helping our southern Nevada communities focus on the issue of livability. It is great to see our new Mayor, the Chairman of the Clark County Commission, a number of concerned citizens and representatives from local government here today, as well.

I believe we must build a partnership that will help us solve the problems associated with growth, and maintain our reputation as one of the best metropolitan areas in which to live and raise families.

We are uniquely challenged by growth in this community. It is no secret that we have the fastest-growing population and one of the fastest-growing economies in the Nation. Whether you live in the city of Las Vegas, Henderson, Clark County, or North Las Vegas, you know that the landscape is changing day-to-day with construction and roadbuilding.

The question all of us here today are confronted with is, how do we keep from being consumed by our own growth? Growth is a great indicator of prosperity and opportunity, and we have a lot of both here in the valley. Otherwise, we wouldn't have a 7 percent annual growth rate. When I tell my colleagues in Congress about our growth rate and dynamic economy, they just shake their heads. They feel challenged by population increases of 1 or 2 percent. It really catches their attention when I tell officials in Washington how we have over 70,000 new residents a year coming into the valley, and that there is no end in sight.

I have no greater mission than to be sure that the key policymakers in the Federal Government understand the critical growth-related needs of southern Nevada. Both of our Senators, both of you, both Senator Reid and Senator Bryan, have done an outstanding job in this regard, and I am proud to be working with the two of you on the House side.

We have seen dozens of communities around the Nation fail under the pressures of growth. We need look no further than to southern California, and I don't want to pick on our neighbors to the west, but they lost their battle to growth. Think of Los Angeles and you think of sprawl, pollution, congestion, and crime, and we don't want to become another L.A., not another statistic.

I believe our local government officials in southern Nevada have done a good job in keeping ahead of the growth curve. Our quality of life remains high and opportunity abounds; yet, we will have to redouble our efforts if we are going to keep ahead of the curve.

Clearly, important steps are being taken in the right direction. Just yesterday, Clark County leaders announced a long-range plan to provide parks and recreational facilities to meet the demands of a growing population over the next two decades. Southern Nevada's population is going to expand inevitably from the current 1.25 million or so, to 2 million-plus. Fortunately, there is a growing movement in this country and in this community to avoid the mistakes other cities have made in the past. Citizens, corporations, and all levels of government are pulling together to improve the livability of our communities.

Livability covers a number of topics. It means preserving green space and recreational facilities. It means building modern schools. It means providing better transportation and protecting our air and our water. It means making our streets safer and promoting economic opportunity across our communities.

I strongly support proposals currently being discussed in Congress to provide resources for local community planning, transportation, school construction, green space, and helping our police. Citizens and their local elected officials have the responsibility to make the decisions about what each community needs and how to spend their resources, while those of us in Congress have the responsibility to make it a priority to provide the needed assistance.

I want to thank you again, Senator Reid, for inviting me here today. I feel this forum is extremely helpful in setting a course for a livable Las Vegas well into the next century so that my children and my children's children will be able to grow up in a truly livable community.

Thank you very much.

Senator REID. Thank you very much, Shelley.

Richard, you are welcome to come up here.

Shelley, thank you very much for your participation.

Most of this morning's witnesses are well known to southern Nevadans because they live here, they have jobs that require them to spend much of their time in the valley. So I am not going to spend a lot of time in introductions, but I would ask that Administrator Fernandez, Mayor Goodman, Commissioner Woodbury, and Mr. Bunker approach the podium here, to my right.

We have a guest from Washington today, and that's Nuria Fernandez. She is the Deputy Transit Administrator for the United States Department of Transportation. She is second in command in the Federal transit funding and advocacy agency, overseeing an annual budget of almost $5 billion. Much of this money provides desperately needed funding for transit systems such as the CAT system we have here in Clark County. She came to the Department of Transportation from the Washington Metropolitan Area Transit Authority. There are a lot of bad things said about Washington—Mayor Barry and all that kind of stuff—but the fact of the matter is that the transit authority in Washington is one of the premiere transit authorities, if not the premiere transit authority, in the en-

tire country, if not the world. People who come to Washington and ride on our "subway system," as we call it, find it the best.

So we are very happy to have you here today. The Federal Transit Administration captures the essence of the interrelated problems of congestion, air quality, and ensuring that American workers have physical access to the job market. A booming economy is meaningless if workers have no way to get to work.

So we are happy that Ms. Fernandez is here.

Mayor Goodman, we are very happy to see you. Let me say, Mayor, that I have been very impressed with your statements since you were elected. Your enthusiasm for the city has caught the attention of the country, as captured by People Magazine in a full-page spread. In you very short tenure as Mayor you have already brought great recognition to the State of Nevada and the city of Las Vegas.

Let me just say that your predecessor really did some things that I think set the framework for other good things to be done. Travelling to work today, I looked up at the big Federal Building that is being constructed. You know, without her help, that would never have come to be. We fought for that land down there, and she didn't have the support of the council all that time, but as Mayor she took the leadership and fought for that land, and now we have that courthouse going up there. Of course, the great county complex is a direct result of her getting the railroad to give up that land. So we look forward to the work that you're going to do.

Let me just say to people here, Oscar Goodman is a great trial lawyer, as we all know. I think a lot of people don't know about his greatest asset, which I think is his sense of humor.

Oscar, I can remember a lot of things that you have said that made me laugh, but one thing that I will never forget is this. We were at the back of the very crowded Justice Court when it was held in the old Las Vegas County Courthouse. It was really crowded, a summer day, the air conditioning was lousy, and we were both standing up, waiting for our cases to be called. He looked at me and he said, "Harry, are you still working out?" I said, "Yes." He said, "It sure doesn't look like it."

[Laughter.]

Senator REID. Anyway, I remember that, Oscar.

The third member of our panel is Chairman Bruce Woodbury of the Clark County Commission. Chairman Woodbury has been a great advocate, in my eyes, if for nothing else—and there have been many other things—for transportation. I held a transportation summit here a number of years ago where we brought in people from all over the world, literally, to testify, to talk about problems of transportation. What we were trying to do is forecast what the future would be if we did something about transportation, and if we didn't do something about transportation. Bruce Woodbury, representing the county, looked at what needed to be done. Really, the county has done miraculous things.

There have been massive construction projects without Federal involvement that the county has done on their own. They went to the State Legislature, got permission to change the law; the law was changed. The great entrance into the airport, that was done

with the county's money. The Beltway is basically being done by the county.

So you have really done tremendous things. Even though there are traffic problems, as I mentioned in my opening statement, think what they would be without the vision of Bruce Woodbury, who has really been the leading advocate of doing something about traffic in Clark County. So I very much appreciate your work there.

Richard Bunker really needs no introduction. He has been a fixture in southern Nevada for many years, not only with the Resort Association, but now with the Colorado River Commission and countless other important functions.

I guess I would say about Richard Bunker, the main reason that I personally requested that he testify today is that there have been many, many things happen in Nevada, and especially in southern Nevada, over the last 20 years. There isn't a major thing that has taken place—and I've talked about some of them here, with the loop around the city, the entrance to the airport, the great progress that we've made with water—it doesn't matter what we talk about, Richard Bunker has been involved in it, very quietly, behind the scenes. You never see Richard Bunker out giving speeches. He's been the County Manager, the City Manager of Las Vegas. Richard Bunker is truly somebody who gets things done without a lot of accolades going his way. He deserves a lot more credit than he's been given.

So, Richard, I appreciate your being here to share the perspective and role of the resort industry on the issues that we've talked about.

We are going to ask you first, Ms. Fernandez, to give your statement, and then we're going to have Mayor Goodman and right down the table there, please.

Ms. Fernandez?

STATEMENT OF NURIA I. FERNANDEZ, DEPUTY ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Ms. FERNANDEZ. Good morning, Mr. Chairman and Members of Congress. Thank you for inviting me to be here today to testify on the Administration's Livability Initiative and the important role that the Department of Transportation plays in this agenda. With your consent, I would like to submit my statement for the record.

Senator REID. That will be the order.

Ms. FERNANDEZ. Thank you.

We at the Department of Transportation recognize that transportation can be an important factor in restoring a sense of community, in bringing people together, and in enhancing the human and natural environment. We have just begun to realize what can be accomplished in our communities through thoughtful consideration of a mix of transportation solutions and creative approaches.

We cannot achieve any of these key national priorities—linking Americans to jobs, health care, and education—without efficient transportation systems. The challenges that we face do not stop at our borders. We are looking at intermodal, flexible, intergovernmental partnerships and a strong commitment to safety, environmental protection, enhanced planning, and strategic investment. In

partnership with our colleagues in the States and the communities and with the private sector, we believe that we can respond to the challenge of creating livable communities.

The Clinton-Gore Livability agenda will help communities across America grow in ways that ensure high quality of life and strong, sustainable economic growth. This initiative will strengthen the Federal Government's role as a partner with the growing number of State and local efforts to build livable communities by ensuring coordination on new Livability Initiatives, improving coordination of existing programs, generating new ideas, and conducting appropriate outreach to constituent groups. This is a cause that we at the U.S. Department of Transportation have been addressing in one form or another even before the inception of ISTEA—sprawl, and its effect on our communities.

The reason why transportation has a role in curbing sprawl and why the Federal Government is involved is very simple. As we look at the problems created by sprawl and the need to stabilize and revitalize our first-ring suburban city centers while maintaining a vital urban core, we must realize that sprawl creates a quality of life problem. The Department of Transportation's Livability Initiative will help communities use DOT-funded programs more effectively to include an active and participatory planning process that results in transportation facilities and services that are well-designed, customer-friendly, and community-oriented, linking safety, growth strategies, environmental quality, and economic development.

Our role is to make it easier for communities to get the tools they need to build the way they want to. Airports, mass transportation, and highway construction provide millions of jobs and billions of dollars in economic impact across the Nation. All of these infrastructure improvements have been accomplished within the context of environmental regulations and land use policies that have changed how we do business.

We look at the Nation's transportation system as a multiple of modes, complimenting each other and working together as a whole for the benefit of all users. The Transportation Equity Act for the 21st Century has made it possible for us to fund programs that are compatible with the development goals and objectives of metro areas, small communities, and rural America.

But none of this would have been possible if it were not for the leadership of the Chairman, Senator Reid, and his role in the Environment and Public Works Committee, winning the enactment of TEA–21.

TEA–21 gives State and local governments even greater responsibility for planning all aspects of their transportation systems, and more funding flexibility to pursue their goals. The Federal Transit Administration, under its Livable Communities Initiative, has demonstrated that locating family friendly facilities at intermodal and transit terminals, such as child and elderly care, police substations, health care facilities, one-stop job centers, and commercial retail development, can lead to transit-oriented development. Across the Nation we can point to successful projects that resulted from public participation, in cooperation with the private sector and the Federal agencies. These partnerships not only leveraged the Federal

resources, but resulted in job creation and access to jobs and services, providing continued growth and vitality to communities.

In the Las Vegas area, the Department has been working with the Regional Transportation Commission of Clark County to complete all of the Federal requirements necessary to receive a favorable ranking and rating for their transportation projects. The streetscape improvement programs and the city and county support of high-density transit-oriented development is a good start toward making this project a reality.

The Las Vegas area has also taken advantage of the Federal Highway Administration's Transportation Enhancement and Scenic Byways Program to fund improvements in the region, ensuring that the regional and State highways become more scenic byways.

Aviation-related matters in this region involve cooperative efforts between the Federal Aviation Administration and McCarran International Airport to put into effect noise abatement measures around residential and school zones, while continuing to meet the vital air transportation needs of this thriving region.

The Department of Transportation is committed to creating partnerships with communities by instituting a wide variety of programs, starting with identifying and disseminating the most useful information, evidence, tolls, and techniques available for integrating transportation and land use planning; convening a regional transportation task force to initiate a dialog on the effects of urban sprawl and congestion on the region's economy and its residents' quality of life; selecting ten localities across the country to partner with as they expand their existing livability efforts; develop stringent aircraft noise standards to reduce noise in areas proximate to airports; and establish a Center for Global Climate Change, because we recognize that one-third of the greenhouse gasses are introduced by transportation. This would help us develop strategies to achieve gas emission reductions through multimodal policies that are inclusive of technology, and market-based land use strategies.

The transportation component of the Livability Initiative combines what we can do now, under present programs, with what we must do in the future to make sure that the places in which we live will remain the places in which we want to live. By working together, we can design transportation systems that create safe communities, a stronger economy, and a better quality of life and prosperity for all Americans.

Mr. Chairman, that concludes my prepared statement. I would be happy to answer any questions.

Senator REID. Thank you. Remain seated and we will have some questions for you.

Mayor Goodman?

STATEMENT OF HON. OSCAR GOODMAN, MAYOR, CITY OF LAS VEGAS, NEVADA

Mayor Goodman. Chairman Reid, Senator Bryan, welcome back to the city of Las Vegas. We are truly honored to have you here at City Hall today. With your consent, Senator Reid, I would like to submit my statement for the record.

Las Vegas, as you know, is a world-class tourist destination and one of the fastest-growing cities in the Nation. We have had an average annual growth rate exceeding 6 percent for the past 10 years. The population of the city itself has nearly doubled during the past decade. We have reached a population of approximately 465,000 citizens within the city limits alone.

As a rapidly growing city, Las Vegas has been characterized as a "sprawling" city. However, using some measures of sprawl, that may not be the case. For example, land consumption is seen by many as an indicator of sprawl; however, in Las Vegas, growth in land consumption mirrors growth in population. In fact, between 1990 and 1998, the city has increased the number of built acres by 50 percent, while at the same time increasing the population by 75 percent.

In many cities, development of single family homes on half-acre lots or larger contributes to sprawl. In Las Vegas, average lot size has been steadily declining. Since 1990, the average lot size for new single-family homes in Las Vegas is approximately one-eighth of an acre.

Depending on how one defines sprawl, Las Vegas may or may not be a sprawl city. But is it a smart growth city? That depends, in part, on how the city's residents perceive their quality of life. Based on a 1998 survey, 50 percent of our citizens are concerned with the effects that growth is having on their quality of life. More than two-thirds feel the pace of development is a contributing factor. Sixty-two percent of our citizens support implementing smart growth measures, while only 9 percent want to stop growth. People appear to appreciate the benefits of growth, while looking for strategies to minimize the negative impacts on their quality of life. Eighty percent believe a regional planning agency would be most effective in addressing growth issues.

According to our 1999 Quality of Life survey, the attributes having a positive effect on quality of life are fire protection, libraries, shopping opportunities, parks and recreational areas, climate, and police force. In general quality of life overall ratings, based on a survey of citizens, 65 percent rate our quality of life as good to excellent; 29 percent, fair; 5 percent, bad; and 1 percent, very bad.

Those attributes that give our citizens the greatest concern are traffic congestion, water quality, crime rates, air quality, and cost of health care.

Las Vegas may exhibit growth patterns that some experts would consider to be inconsistent with smart growth. For example, there is some evidence that our development pattern creates pressure on at-risk neighborhoods. As a result of rapid growth at the edge of town—some 71 percent over the last 4 years—the majority of public and private resources are being drawn away from our older neighborhoods. Others would argue, however, that these low-income transitional neighborhoods offer housing opportunities for folks to get a leg up on the economic ladder.

This is why the City's new comprehensive plan will focus on downtown and urban core areas. At the direction of the City Council, the plan will enhance the quality of our daily lives while continuing to accommodate growth and change in new and creative ways. This public planning process will refocus city policy toward

encouraging infill development and downtown redevelopment. This is the logical thing to do.

Our new plan will focus not just on what goes where, but how it all goes together and what it looks like. Urban planning and urban design will become increasingly important as we mature into a 21st century city.

Nothing is more important to me and my new administration than revitalizing downtown. We must make our citizens proud of downtown again. We will strive to build a new downtown that includes entertainment, shops, cafes, and new residential neighborhoods.

Now, the great opportunity exists to build an exciting new sports arena and related facilities right downtown. Steve Wynn has told us that he will bring a major league sports team to town if we can deliver a new stadium on the Union Pacific site. We will be very careful to make sure that the new development enhances existing downtown development and is linked to mass transit.

In the next decade or so, we will run out of buildable greenfield lands within our city. This is a fact; we are landlocked. We must now begin to incorporate new residential opportunities within the older, urban core of our city. This will encourage vitality and diversity. If the city of Las Vegas wants to continue to grow, it must begin to look inward for new development opportunities.

A truly successful downtown must include thousands of units of new housing, and also integrate daily shopping needs, like a supermarket, within easy walking distance. We must build new downtown neighborhoods oriented toward making a truly urban lifestyle.

You know, we have folks moving from all over the Nation and the world to join us here in Las Vegas. We must strive to build a world-class city that serves our diverse population and provides for all their daily needs and big expectations. Families move here for the climate, for good-paying jobs, for affordable housing, and for the low cost of living. But what else is missing that we need to strive for? Better schools, more parks, a performing arts center, maybe even an art museum, to name a few. At the same time, we must revitalize our older in-town neighborhoods by finding ways to empower our citizens to take control of their streets and neighborhoods. Some of our strongest communities reside within our oldest neighborhoods surrounding downtown Las Vegas. We must encourage young families and professionals to return to our urban neighborhoods. This will strengthen our inner city and lessen our dependence upon building new infrastructure. This will help free up our capital budgets for building parks, playgrounds, community centers, and walkable streetscapes lined with trees.

Wouldn't it be great to be able to walk to a bookstore or ice cream shop after dinner? Shouldn't our kids be able to walk to school, or to the movies on Saturdays, without having to cross six or eight lanes of traffic?

The city must encourage the public and private sectors to work hand-in-hand to devise one seamless mass transit system for the whole Las Vegas Valley. This is good for downtown Las Vegas, and good for the Strip resorts and Clark County. And thanks to you, Commissioner Woodbury, for your efforts. The city will also begin to look at redevelopment opportunities surrounding our future

fixed guideway transit stations. We can imagine new monorail stops surrounded by shops and cafes, townhouses, lofts, and courtyard apartments.

Why can't we continue to upgrade our system of roads and highways, and also begin to mingle our land uses so that some folks can live and work in the same neighborhoods? Why can't we become less dependent on our cars and offer other transportation alternatives that are good for our environment? Do we need to pave our way out of our transportation problems?

The city supports the design and construction of a high- speed train linking downtown Las Vegas to Los Angeles. This is good for our downtown businesses and good for our citizens. It is important that Las Vegas optimize its role as a tourist destination, advance its position as the hub of southwest development, and serve as a model city for sustainable development patterns.

In conclusion, Mr. Chairman, I would say that the city of Las Vegas is not the poster child for sprawl. We are clearly a young, vibrant, 20th century frontier town built around the car and technology. And—I must emphasize this point—we are determined to take the actions necessary to mature into a world-class city for the 21st century. Las Vegas is unquestionably the most exciting city on the planet, and I am very proud to be serving as its new Mayor.

Thank you very much.

Senator REID. Commissioner Woodbury?

STATEMENT OF BRUCE WOODBURY, CHAIRMAN, SOUTHERN NEVADA PLANNING COALITION

Mr. WOODBURY. Thank you and good morning, Senator Reid, Senator Bryan. Thank you for this opportunity to participate and thank you for all that you do for our community.

My name, for the record, is Bruce Woodbury. I am currently the chairman of the Clark County Board of Commissioners. Additionally, I also currently serve as the chairman of the Regional Transportation Commission and the new Regional Planning Coalition. All of our cities and the county are represented on these regional boards, and I am happy to know that my friend, Mayor Goodman, is a member of each of these boards, and I look forward to serving with him. I know that he will be an outstanding public servant.

The focus of my remarks today will be on how we in the Las Vegas Valley have come to understand that maintaining a vibrant, livable community, a growing, sustainable economy, an efficient transportation system and a healthy environment are issues that are all closely tied to one another. Given this and the fact that these issues affect all aspects of our community, we understand that a regional problem-solving approach is necessary to each of these issues.

We will hear today from a number of our colleagues in local government about all that we are attempting to do, working with our citizens, to meet the challenges of providing a high quality of life in the fastest-growing community in America. Others will talk about land use, community planning, water, transportation, and so on. I've been asked to focus chiefly on that which is fundamental to us all, the quality of the air that we breathe.

It is well known that we have struggled in recent years with two pollutants, carbon monoxide and inhalable particulates, like PM10. We are confident, however, that our local efforts will result in air quality that meets all of the nationally established standards.

While recognizing that we need to do a good deal more in this area, and that efforts are ongoing, we also need to recognize that through a combination of our local efforts and partnerships with our Federal and State counterparts we have made substantial progress in important respects. Despite the effects of explosive growth, I want to touch on just a couple of representative examples in this regard.

In the recent past some of us have been involved with two locally created consensus-based efforts to define for ourselves the sources of our air quality problems and to find the best methods of addressing them. We have established the Clean Air Task Force, and then our Clean Air Task Force II, which came up with a Clean Air Action Plan in two stages, with over 140 recommendations, most of which have been implemented or are in the process of being implemented.

We have some charts that we are furnishing, and you can see from chart 1 that the recommendations have included, as examples, more stringent controls on automobiles and diesel trucks; use of cleaner fuels; aggressive regulation of construction sites; very strong regulations pertaining to industrial sources; fireplace controls, as well as mass transit improvements and locally funded regional transportation facilities. Currently, we are looking at additional major improvements in mass transit and a strong public-private partnership to build a fixed guideway system.

Everyone knows that traffic jams and pollution go together. The Regional Transportation Commission and NDOT have been working together, with the help of you Senators and the Congressional delegation and the Federal agencies, to fund significant expansions of important roadways and highway systems, including improvements to the Spaghetti Bowl and the widening of I–95. And as indicated by you, Senator, Clark County is funding a 53-mile beltway solely with local tax dollars. These improvements in transportation infrastructure will reduce carbon monoxide and improve our air quality.

I mention these programs because they show that in Clark County, all of the local entities are willing to take strong local action without the necessity of mandates, and therefore need to be able to chart our own course in meeting the environmental and transportation needs of this community.

As you can also see from chart 2, despite our significant growth, we have made substantial progress in meeting the carbon monoxide standard. We believe that with additional diligent local efforts, and through our continued partnerships with our Federal and State counterparts, we can meet both the carbon monoxide standard as well as the PM10 standard. We think this can be done through a combination of cleaner fuel requirements, more motor vehicle emissions testing, regional dust control programs, and improvements in our transportation and mass transit infrastructure.

We do, however, need your help. We would hope that Congress would understand the need to keep Federal funds flowing to areas

struggling to meet air quality standards. Additionally, we believe that the Tier II tailpipe standards proposed by the EPA are important in meeting our goals.

Certainly, we believe that local government is best suited to make important decisions about air quality improvement measures and priority transportation issues. Federal intervention, as compared with cooperation, is almost always unwarranted, time-consuming, and counterproductive. Many here will recall that the Board of County Commissioners decided in 1998 to accelerate construction of the Beltway around Las Vegas. W learned that the fastest way to move ahead with this project was to "de-Federalize" it. While there were many who were skeptical, we worked successfully with the Federal Highway Administration to regain local autonomy over the project. Working with our own Public Works Department, in partnership with the cities, we have opened eight miles of southern Beltway, and early next year we hope to complete the entire southern segment and be well under way with the western and northern segments of the Beltway, and we plan to complete the initial facility by 2003, which is 10 years ahead of the FHWA timetable. This should be of tremendous benefit, not only in terms of our transportation, but our air quality issues.

Finally, we want to proactively work to prevent ozone and fine particulates from becoming serious problems in the Las Vegas Valley. We would like very much to see changes in the Federal EPA regulations that would allow us to use cleaner fuels before the area exceeds the standards in question.

Senators I appreciate this opportunity to provide local perspective on this important issue. I also would be happy to entertain any questions that you might have.

Senator REID. Mr. Richard Bunker, President of the Nevada Resort Association?

STATEMENT OF RICHARD BUNKER, PRESIDENT, NEVADA RESORT ASSOCIATION

Mr. BUNKER. Mr. Chairman, Senator Bryan, I would like to request that my comments be submitted for your record. I would like to digress from those comments for just a moment to express to you, Senator Reid, my appreciation and the appreciation of this community for your efforts on the Colorado River. Were it not for those efforts, I am afraid that today our discussion would be entirely on the lack of water in the Las Vegas Valley; but because of your efforts, we are happy to be on the road to a water supply that will take us well into the next century.

And Senator Bryan, I would like the members of our community to know of the great effort that you have provided to the gaming industry, starting with the employee meal issue, dealing with the Internal Revenue Service and the Department of the Treasury. Without those efforts, our industry would have been significantly damaged. To you we express our great appreciation. Thank you very much.

Senators if my thoughts today are heard because of who I represent, I hope you understand that they are driven by my love and affection for this community. I have lived in southern Nevada for my entire life, growing up here as a boy. My children and grand-

children call southern Nevada home. I know, Senators Reid and Bryan, you share my experiences in growing up in a small desert town, going to school, on to college, all the time watching the town grow into a city and then a thriving metropolis with now more than 1.1 million people.

For most of all that time Las Vegas was the most livable of communities. We were an enviable blend of the best aspects of a small town and the amenities more closely associated with big city life. We had a sense of being a small town wherein everyone knew each other and cared for each other. But we had the luxury of living amid the excitement that can only be found in the "Entertainment Capital of the World." And the success of our unique brand of resort community has led to incredible economic prosperity. In the last 10 years the number of tourists visiting Las Vegas has gone from a little more than 17 million people per year in 1988 to 30.6 million in 1998. Hotel space has nearly doubled in a similar time period, going from 61,000 rooms in 1988 to more than 106,000 by the end of 1999.

Those millions of visitors, tourists, and conventioneers have increased taxable resort revenues by nearly 100 percent, going from $6 billion in 1990 to $11 billion last year. Furthermore, investments of billions of dollars have gone into new megaresorts such as the Mirage, which started it all, to our most recent examples of Bellagio, Mandalay Bay, and the soon-to-be-opened Paris.

As you can well imagine, very much like other communities which have experienced exponential growth, the issues quickly turn to those of livability, as infrastructures become strained, social schisms begin to emerge, and environmental consequences begin to be felt. The shadows cast by growth and prosperity are always economic, social, and environmental. In Las Vegas, at least, these consequences have been held to a minimum, in large measure due to the resort industry.

The resorts are more than just the sum of concrete, steel, casino tables and slot machines; they are the product of creativity and, more importantly, commitment to this community. The resorts are where hundreds of thousands of Nevadans work each day. According to a recent report by the University of Nevada, Las Vegas, the hospitality industry employs more than 300,000 Nevadans directly, an increase of nearly 50 percent in the last decade. Not only do these jobs provide livable incomes to hundreds of thousands of new Nevadans, they provide some of the basic social needs in the form of health insurance and pension benefits. The impact is staggering, with nearly one of every three adults you meet employed directly by the tourism industry and many more employed as a result of the economic expansion and diversification made possible by this flourishing industry. That prosperity has been an economic success story which is the envy of the country. And the industry I represent is justly proud of the role we play.

We do far more, however. Due to Nevada's tax structure the gaming industry provides the backbone for all State and local finances. As all of you know Nevada does not have a State income tax, or other broad-based revenue generators. The taxes levied on the gaming industry provide more than $22 billion in Federal, State, and local taxes, and account for nearly 50 percent of Ne-

vada's general fund budget. Moreover, our customers contribute to the sales, gasoline and other user-based taxes.

As strong as our industry is and as large as our contribution is to State and local finances, there are public needs still not being met. In education—kindergarten through 12th grade and higher education—and in the public health arena, programs are still underfunded. Many infrastructure needs still exist. As public officials all of you know that there is never enough revenue to fund the many legitimate, worthy public programs. But you also realize that equity must exist in how the tax burden is distributed. Herein lies a quintessential shortcoming in Nevada's system.

Whereas the economic base has diversified, that diversification has not been visible in the distribution of the tax burden. Governor Guinn has taken the lead and is in the process of a top to bottom review of State spending to ensure that public funds are being spent wisely, efficiently and within the priorities he and the State Legislature have determined. The Governor has indicated that he will also review State finances—who pays the taxes and who doesn't. As I stated earlier, an examination of our State revenue picture will reveal that the gaming industry is more than meeting its obligations to our community. I also believe that this examination will reveal that other sectors of the economy are virtually escaping responsibility.

We in the resort industry have met our obligations. Over and above our tax contribution, we have directly invested in meeting environmental challenges and social and cultural demands that have confronted our hometown. We have always been the first to step up to the plate—not the last to bat. We will continue to provide good jobs with the necessary healthcare and retirement benefits to our employees. As we watch the funding debate, we in the resort industry will be particularly interested in how any new burdens, if they must come, will be apportioned. If fairness and concern for the health of our economy drive this debate we would expect that new burdens would not be added to those businesses which already pay the lion's share of today's taxes before those enterprises escaping the tax collector are asked to match our contribution.

As this committee examines the question of what makes a livable community, I would suggest that the bedrock of any community that calls itself livable is a sustainable, growing economy which provides good, solid jobs. Without that stability, we cannot ever hope to address our social and environmental challenges. The time has come for those sectors of our economy who so richly share in the prosperity and who desire the same "livable community" to accept the responsibilities that are rightfully theirs to share as well. Thank you very much.

Senator REID. Thank you, Mr. Bunker.

Mayor Goodman, I was impressed with your view as to the need to revitalize downtown Las Vegas. For those of us who have worked down there and seen the problems develop, you are absolutely right in your description of how the town has kind of changed.

Give us some of your preliminary thoughts as to what can be done to revitalize. You have talked about the gray idea; I have been

an advocate of this for years, but I don't think we've had the population base to do it before. But that's the sports arena; you've talked about that.

What are some of the other ideas you've had at this early stage of your administration to revitalize downtown?

Mayor Goodman. Mr. Chairman, I believe that the most important thing that the downtown can provide is a center for social discourse, something that has been missing in Las Vegas. I have lived here for 35 years myself, and I have found that it hasn't been a community where people have been able to get together. I envision that downtown will become that type of community where we will have coffee shops, art stores, galleries, music stores, tree-lined streets, places where people can get together and have discussions about things that are important in life—philosophical, governmental, and otherwise.

In order to do that, redevelopment is necessary. We are going to have to have affordable housing downtown, and we are going to have to entice businesses to come downtown and take a risk with us that, in fact, that dream can become a reality. I intend, with the help of the council and the help of staff, to entice "clean" businesses, nonpolluting industry, Silicon Valley type of businesses into downtown Las Vegas. We will be able to have brainpower infused in our community, bright people, folks who are interested in seeing the community grow and who will help us with the tax burden that Mr. Bunker has alluded to.

It is going to take a concerted effort on the part of the citizenry who are responsible for enticing those businesses to get those folks down here. And it is going to be a community effort, Chairman Reid; it cannot be done by the city alone. Smart people look for certain things when they are going to move into a new community. Smart people want good schools. So the school district is going to have to step up and get involved in providing an educational system that will be satisfactory to smart people coming here to Las Vegas. The university is going to have to work together with these businesses in order to give them the backup. I have been told that cities like Atlanta have actually gone to MIT and to Harvard and solicited professors to come down there in order to get a chair established so that businesses such as Silicon Valley businesses will move to Atlanta.

Las Vegas is the greatest town in the world. It is the best city in the world. There is no reason why we shouldn't have those businesses here. There is no reason they should be going to Tucson and to Scottsdale, to Atlanta, and to Salt Lake City. They should be coming here to Las Vegas. And it is part of my vision, and my mission, and my goal to have them here.

Senator REID. Two thoughts I would have. First of all, taking from your prepared statement, you used the word "urban lifestyle." And that is something that is really unheard of in southern Nevada. But there are places that have really done well with an urban lifestyle. Across the river from the District of Columbia is something that is called Crystal City. It is an urban lifestyle; it is a congested area where people live together in high-rises and other types of apartment complexes and condominiums. That's urban lifestyle.

I was in Florida doing some work and visited one of my friends who lives in a condominium. I was really impressed with it. That is truly urban living. But that is a lifestyle that some people in southern Nevada, if they had the opportunity, would take advantage of.

The other thing I would like to say, Mayor, is I have been very impressed with Dr. Moore of the community college. I was out at the Charleston campus yesterday. But, I wish I had thought of it yesterday, I would have asked him, and I think it is something that you and the council should get involved in, I think we need a community college campus in downtown Las Vegas. I would hope that you and the council would really press Dr. Moore that there are people who would love to be able to take some courses in downtown Las Vegas. People live down there, people work down there, they could go very conveniently after work rather than drive up to the Cheyenne campus or up to the Charleston campus. So I that think that would also be something that would really add a great deal to downtown Las Vegas.

Senator Bryan, I used my 5 minutes. Your turn.

Senator BRYAN. Thank you very much, Mr. Chairman. I am delighted to welcome Oscar as the new Mayor. He and I had a relationship some years ago when we were partners, and we are going to be partners again, Oscar, at a little higher level, and I look forward to that relationship.

Mayor Goodman. Thank you.

Senator BRYAN. Bruce Woodbury and I grew up here, and it is always nice to see Bruce.

And Richard Bunker probably is the only person here that may be a bit longer in the tooth than I; by that I mean, he has lived here longer than I have and is just a couple of years older.

I have just a single question to ask, Mr. Chairman, because I know you have got a full agenda. In the relationship between the Federal Government and State and local Governments, there has always been a dialog in terms of what is the appropriate role for the Federal Government, State and local Governments. That dialog has changed in recent years and Senator Reid I think sounded an appropriate theme when he used the word "partnership." In legal terms, we are not talking about a master-servant relationship, we are talking about entities who have responsibilities that are specifically within their province or jurisdiction or authority.

My question to each of the local witnesses, Mayor, Richard Bunker, and Chairman Woodbury, is that if you had a wish list of those things that you would like us to do, those things that you would like us not to do, tell us what you think we ought to do or not do at the Federal level in terms of working on this concept of providing a community that is livable and a lifestyle that all of us want.

As you, Mayor Goodman, described your concept of this urban center, I am sure the thought occurred to Chairman Woodbury and Richard Bunker that that is the community we knew and grew up with. That is the way it was. That was the urban center. And it is a real challenge, and I admire you and your administration in terms of your commitment. But just tell us, each of you, what would you like us to do? What would you like us to refrain from doing? If you have got a list, if you want to submit that to us later,

I am sure Senator Reid will open the record so that we will give you an opportunity to do so.

Mayor Goodman. I guess I will start off since I am the baby of the group here. Having been in office for about 10 days, I think the magic word is money. I have to familiarize myself, and our city manager, of course, is well aware of the moneys that are available. I hope that we can squeeze every Federal cent out of you and get it here into downtown Las Vegas, every cent that is available. I am going to look at that very carefully because it would be a shame if there were money there that could help us with solving all the problems that we have here. Where we could use that money for the redevelopment process, I would hope that it will be made available to us.

Senator BRYAN. Oscar, anything else on the wish list? Money, that's legitimate. Anything else?

Mayor Goodman. At this point in time, I'm going to defer to my colleagues.

Senator BRYAN. OK. Bruce, I know you echo the Mayor's view that money is helpful. I know it is fungible; it can be used by both the city and the county, as I understand the way that concept works. So I am sure you will want to add a note there.

Mr. WOODBURY. Thank you, Senator. I think we could probably sum up our wish list in terms of unlimited resources that you would provide and unlimited autonomy and flexibility that you would also give us. We know that is not necessarily in the cards. But we do think, and I think we share with you the feeling, that local communities need to have autonomy, they need to have flexibility. No two communities are alike. There is no other community in the world like the Las Vegas area, like Clark County, Nevada. We need to be able to have local solutions, working with our local citizens on issues that confront us.

With regard to issues like air quality, I mentioned that we now feel some constraint in that we would like to be able to at least consider using certain types of cleaner fuels in our community, yet we are being told by EPA that our air is not dirty enough yet in some respects to be able to use that cleaner fuel. Well, we would like, of course, to be able to keep it from deteriorating to that effect and have the flexibility that other communities have that have been considered more serious in nonattainment to use some of those solutions now rather of waiting until the problem gets worse.

With regard to issues like transportation, you have both been great champions for our community in providing Federal funds, both for our highway and our freeway system, but also for mass transit. We have an authorization for a very substantial amount of money for our fixed guideway system. We would like to be able to have the flexibility of forming a public-private partnership. As you know, the private sector here in the community, members of the resort community that Richard represents have stepped forward and are working with us to provide a monorail system, and they are talking about expanding it. We would like to be able to use the Federal funds enablement and work with the private sector to consider some of the private sector contributions as part of the local match and make this not only a public-private partnership, but a

Federal-local partnership in a railway recognizing our local needs that are somewhat unique.

Senator BRYAN. That's very helpful. Thank you.

Richard, you have a private as well as a public sector.

Mr. BUNKER. Senators, the biggest thing that comes to my mind is that local government of ten, 20 years ago was very reliant on the Federal Government for financing and for funding of projects, and, because of that, there was a lot of Federal control. Well, as you well know, in the last 5 to 10 years, that is not the case anymore. The best example I can think of is the $2 billion project that these communities in southern Nevada have entertained to develop the water infrastructure. Unfortunately, the bureaucracies have not recognized that they are not still funding a lot of the things that are going on in local government. And because of that, they become sometimes a problem to deal with.

Now, I would suggest this to you. Nevada, historically, as you have recognized, has always been small; we haven't had a lot of people. We have had to depend on our congressional delegation. And it is only here in the last few years that we have had sufficient seniority that we have been able to do those things. And as I reiterated at the beginning, your opportunity to bring the bureaucracy to the bargaining table on things such as employee meals and things of that nature have been critical to us. Those things have been very important because by ourselves many times we have not been able to do that. Senator Reid, the same way on the Colorado River.

And with the proliferation of gaming around the country, we know that we are now on everyone's radar screen. You know what the exercise is; you come up with a pet project, the first thing you have to do is isolate and determine where the money is going to come from to take care of the project. And so, in those areas, we think there is tremendous opportunity for this type of comity to exist between local government, the businesses, and the congressional delegation, because we feel, at least I feel, that you are our access to the Federal bureaucracy which many times we have difficulty in dealing with.

Senator BRYAN. Thank you very much. And Mr. Chairman, thank you very much.

Senator REID. We are going to miss tremendously Senator Bryan's position on that Finance Committee. As you know, we have no one in the House on the Ways and Means Committee. And with, as you have said, every pet project that comes up in Congress, they look for an offset and they are looking very closely now at gaming. That is a real problem for us in the future. For other than the personal reasons for Senator Bryan leaving the Senate, that is certainly a governmental reason that we should all be concerned.

A couple of things. First of all, I hope everyone saw the newspapers today. Newspapers around the country are talking about the fact the Federal Government is going to join with local Governments in attempting to do something about diesel, the busses and the trucks spewing out all the garbage that they do. You will see in the newspapers today a graph that shows the limited number of vehicles but the huge amount of pollution that they inject into our environment. I would hope that county, city, and State Govern-

ment would join with EPA in working to do away with that. It would make pressure on automobiles much less because, certainly, diesel fuel vehicles have not done their fair share.

Finally, Administrator Fernandez, I would like you to talk to us a little bit about the Access to Jobs Program. And also, if you would, be specific about what the administration's Livability Program agenda is, in relatively short fashion if you could, because I know the Livability Program is something you have worked hard on.

Ms. FERNANDEZ. Thank you very much, Mr. Chairman. I will be glad to do so. The Access to Jobs Program was created following the welfare-to-work Welfare Reform Act. The intent was to identify funding that would be made available to different communities, to what we call urban areas, non-urban areas, which are under 200,000 population, and rural areas, to institute programs that would provide transportation services to individuals who were making a transition from the welfare rolls to payrolls. The Access to Jobs Program, this past few months we made our announcement of several grants that were made available throughout the country for localities had submitted applications, a total of $75 million available throughout the country.

In the President's budget that was submitted to Congress for fiscal year 2000, we had asked for an increase in that program to $150 million. We are still hopeful that we will get that amount because the demand for services, for access to training opportunities, for access to child care facilities so that the mothers can drop their kids off and get the training that they need so they can be productive members of the society. It is a very important program. We have developed a number of training materials on the program that we have been sharing with communities across the Nation to help them structure through "tool boxes" programs that would help their community specifically and also on a national basis help the Government work with States on this transition from welfare- to-work.

The Transportation for Livability Initiative is comprised of a series of "tool kits." What it is, in fact, is to help us demonstrate that transportation contributes to improving the quality of life in communities. With that as its intent, we have developed a tool kit where we will be organizing a number of Best Practices. These are success stories that we have seen across the country. We have been able to determine that just a small investment in mass transportation funds, just a small investment in transportation enhancement funds can make a great difference in the quality of life, in the way that the community looks, in the way that the community has access to town centers, has access to recreation, has access to jobs.

The tool kit will be a series, as I mentioned before, of Best Practices. It would also include a web site and some training programs that we are going to be packaging and making available to all communities across the Nation so that they can take advantage of the Federal funding, and not just limited to the Department of Transportation, but identifying the resources that are available in other Federal agencies; in Health and Human Services Department, the Department of Housing and Urban Development, the Environmental Protection Agency, and the Department of Labor. All of

these departments together with the Department of Transportation have a series of initiatives and certainly have funding available through grants to make our communities livable.

So it is our intent to compile all this information in a series of catalogues, put it into a tool box and make it available over the next few months. But immediately, what we do have in TEA–21, what was afforded to us in TEA–21 is the ability for areas that are over 200,000 in population to use 10 percent of their formula dollars for transportation enhancement; that is, to put in bus shelters, to build sidewalks, to restore historic sites, former rail steeples, and other things that would add quality of life, not only pedestrian pathways but bicycle pathways, overpasses, and landscaping improvements. So there are funds today that can be made available to improving the quality of life and creating the town center concept that all of us are calling for.

Senator REID. Is Virginia, is the city manager still here? She is probably hiring or firing somebody right now.

[Laughter.]

Senator REID. But I would hope that you would have an opportunity to meet with the city manager and the Mayor, if he has time, and, of course, anyone at the county level. I think while you are here you should certainly be a resource if you have time to spend with these individuals, because this is really a community where these programs should be of tremendous help.

I would like to thank everyone on this panel for their excellent testimony.

We are going to take about a 5-minute break now. I would ask that the next panel would work their way toward the podium. Ms. Mary Kincaid, who is the Chair of the Southern Nevada Water Authority, will be accompanied by Pat Mulroy, the General Manager of the Southern Nevada Water Authority; Mr. Robert Lewis, President, Nevada region, Kaufman and Broad/Lewis Homes; and Mr. Jacob Snow, the Executive Director of the Clark County Regional Transportation Commission. If you will all come forward, we will begin this panel in about 5 minutes.

This committee stands in recess.

[Recess.]

Senator REID. The committee will come to order.

As most of you know, Mary Kincaid is a member of the Clark County Commission, she is chair of the Southern Nevada Water Authority. She has had a long history of public service in southern Nevada, having served for many years on the City Council of North Las Vegas, which is also a rapidly growing community. As indicated, she is accompanied by Pat Mulroy, who is Executive Director of the Southern Nevada Water Authority. And as Richard Bunker said earlier, this hearing today is not focused on water. That is tremendous that it is not focused on water. And one of the reasons it isn't is because of Pat Mulroy, who is one of the leading proponents of water in the entire United States. She is a friend of George Miller, who is the leading Democrat on the Interior Committee, the Natural Resources Committee, as it is now called, in the House. She is looked to to testify on various issues around the country because of her expertise on water. Southern Nevada has

been very fortunate to have Pat Mulroy guiding the destiny of water in southern Nevada.

Robert Lewis is president of the Nevada region of Kaufman and Broad Home Corporation. He is a local developer and now has gone national. Lewis Homes was a family owned business. They have done so well and built so many homes throughout Nevada, and we expect their good name to be continued even though they now have gone national in joining the Kaufman and Broad Company.

The final member of the panel is Jake Snow, the new Executive Director of the Regional Transportation Commission, the organization that not only runs the local bus system, but is also the metro planning organization for all of Clark County. Which means that his new job gives him control over both highways and transit in southern Nevada. So we are very fortunate that he is here today. He comes to the RTC after having worked as assistant director of aviation for Clark County where he and Randy Walker worked together to build Terminal-D and help continue the great airport that we have and working under the direction of the County Commission.

Commissioner Kincaid?

STATEMENT OF MARY KINCAID, CHAIRMAN, SOUTHERN NEVADA WATER AUTHORITY

Ms. KINCAID. Thank you, Mr. Chairman. As you know, I am Mary Kincaid and I am a member of the Board of County Commissioners. I am here today representing the Southern Nevada Water Authority, which I am chairman of. I have lived in the Las Vegas Valley for over 50 years and have a great interest in what is going on in this community.

I wanted to thank you for asking me to testify about how we have managed our most precious public resource, water. And excuse me if I brag just a little bit about the Southern Nevada Water Authority because it is truly just a remarkable example of how regional cooperation among local governments can produce significant results. The member agencies of the Southern Nevada Water Authority are the Big Bend Water District in Laughlin, the cities of Boulder City, Henderson, North Las Vegas, and the Clark County Sanitation District, and, of course, the Las Vegas Valley Water District which serves Clark County and the City of Las Vegas, and we have representatives from both of those entities.

It was not all that long ago that the municipalities and the County acted like they do everywhere else in the west, we fought over water. Under the old paradigm, the State Colorado River Commission divvied up Nevada's share of the Colorado River to each city and water purveyor based upon projections of need. As you can appreciate, each entity wanted the most water it could get so our "need" estimates became somewhat inflated.

Furthermore, because of the time tested water doctrines of "first in time is first in right" and "use it or lose it," each water purveyor sought to beat the other to the well, so to speak, with the biggest and best plan to quickly use up all of our water. Because the town of Laughlin had the lowest water right priority, they faced the absurd prospect that in the event of a drought on the Colorado, the town's entire supply could be lost while the residents of the Las

Vegas Valley continued to enjoy watering their lawns and washing their cars twice a week.

Needless to say, under such a system the ethic of water conservation was almost nonexistent. As we in southern Nevada raced toward the precipice of exhausting our then available supply, we finally woke up and came to our senses. The fundamental principle which we came to realize is that for the good of the community as a whole, each of us must surrender our water weapons and end the water wars.

Beginning in May 1989, with the help of a water management consulting firm called Water Resources Management Inc., the leaders of each city and County water and waste water agency began a process which led to the establishment of the SNWA on July 25, 1991. During this 2 year process, there were some difficult days of negotiation, mediation, and realization. What emerged from the process over several months was a new paradigm—share and share alike. And this was almost unheard of in the water world.

The SNWA is a regional governmental body which has been vested by all of its member agencies with the responsibility to manage southern Nevada's water without regard to arbitrary jurisdictional boundaries or the old rules which encouraged us to squander and waste our most precious resources. We have agreed to abandon water right priorities among purveyors. We agreed upon a division among the purveyors of the State's remaining allocation of Colorado River water. We have developed a shared shortage agreement to protect Laughlin and other entities. We have agreed to common water conservation standards to be applied everywhere. We are pursing jointly additional supplies of water which will be shared by all.

A second significant and important accomplishment was enactment by the 1993 Nevada legislature of a new law which reconstituted the Colorado River Commission with three members from the SNWA. This important reform recognizes that with respect to our involvement outside with other Colorado River States we are all Nevadans; our objectives should be unified into a single strategy for the benefit of southern Nevada.

Two years later, the 1995 legislature provided yet another layer of cooperation by transferring responsibility for the southern Nevada water system from the Colorado River Commission to the SNWA whose member agencies deliver water directly to the customers.

While these institutional reforms may not appear to be all that significant, all it takes is a quick look at the water wars which are occurring in California to understand the value of uniting in cause and purpose. Our successes have been significant. Every entity has enacted far-reaching water conservation ordinances which have already achieved a 16 percent reduction in water use, with a goal of 25 percent by the year 2005. We have consolidated our water resources, both ground water and Colorado River water, to add in effect an additional 300,000 acre feet of supply which will take us to the year 2025.

We have embarked upon the largest water system expansion in the country and have amazingly garnered the support of 74 percent of the electorate of Clark County for a quarter cent increase in the

sales tax to pay for it. Our new water system will provide new delivery capacity sufficient for decades. It will improve our water quality and offer greater reliability.

Again, I want to thank the committee for this chance to explain how the SNWA has become a leader in the west in managing our water resources. We have proved that with water that the whole can be greater than the sum of its parts. Thank you very much.

Senator REID. We will next hear the testimony of Patricia Mulroy, general manager of the Southern Nevada Water Authority.

STATEMENT OF PATRICIA MULROY, GENERAL MANAGER, SOUTHERN NEVADA WATER AUTHORITY

Ms. MULROY. Mr. Chairman, Senator Reid, I am truly grateful to be here this morning and to be able to discuss with you a subject that comes up quite often—growth and water. And on a personal note and for the record, I think it is important for southern Nevadans to realize that in many ways our water situation is due to your intervention at the Federal level and the tremendous help that you have given this community in solving its water problems, both in the past and you continue to do so in the future.

There exists a commonly held myth in some of the rapidly growing areas of the southwest that growth can and should be controlled through the measured allocation of water. Indeed, we have all seen the national news magazine stories and the major newspaper articles which tell a story of how Las Vegas is experiencing blockbuster growth without any regard for its most finite resource, water. Well, I am here to tell you a little different story. As explained to you by Commissioner Kincaid, this community has accomplished water management reforms which other States only talk about.

First, I would like to debunk the notion that you can control growth with water. In 1973, the Department of Interior had it right when it published the following statement: "According to a study prepared for the National Water Commission, water development and regional economic growth are not necessarily connected. Ample water supplies for agriculture and/or municipal-industrial use, the existence of water based recreational resources, the availability of low cost hydroelectric power, do not provide in and of themselves a sufficient condition for economic growth. Furthermore, in some situations they may not even be necessarily conditions for such growth to occur. Accessibility to major markets, availability of quality labor supply, transportation costs and alternatives, and climate all play a role in establishing conditions favorable to growth. The fact that an ample water supply may not, under certain conditions, be necessary for growth is indicated by the rapid rate of economic growth in certain so-called 'water short' areas of the west and southwest."

In other words, people do not follow water; rather, water tends to follow people. Our own experience at the Las Vegas Valley Water District is an excellent example of this fact. Many will recall that in 1991, after several years of explosive growth in population and water deliveries to our customers, we reached a point where our current contract for Colorado River water was fully committed. On February 14, 1991, the Board of the Water District reached the

difficult decision that it could no longer issue ''will serve'' water commitment letters to developers and it imposed a temporary suspension of new commitments for water until such time as additional water resources could be obtained to meet new commitments.

As you can appreciate, this suspension was very controversial and many in the community called upon us to continue making new commitments based upon an expectation that we would get additional resources. In this town, that is called ''betting on the come.'' This course is exactly what California has done in recent years and, unfortunately, much to its detriment. While we were determined that we could negotiate a new contract for more Colorado River return flow water from the Secretary of the Interior, both the timing and the amount was very much at issue. Ultimately, after many months, a contract for Nevada's final allocation of Colorado River water was signed and the suspension was thankfully lifted.

That suspension of water commitments lasted from February 1991 until March 1992, just over 1 year. One might expect that with such a significant time period where no new water was available that growth would slow down. Well, that was not the case. For the 9 years from 1989 to 1998, the total population increased by 67 percent and, fortunately, our water use only increased by 52 percent. During the 1 year period of suspension and the year that followed, there was no appreciable drop in population growth or water deliveries. It is important to remember that without our excellent conservation results those water use numbers would have been even higher.

So what happened? In a market economy, the law of supply and demand will always rule. When the supply drops and the demand remains constant or increases, the value of the commodity increases and the need to find creative, cooperative solutions with your neighbors becomes an imperative. Yes, scarcity challenges the status quo. Shared supplies like the Colorado River that in an era of abundance can be managed as distinct and separate pieces must now be viewed from their totality. Success, just as had been proven in the creation of a global economy, rests in creating a larger interlocked hydrocommons. As utopian as this may sound to some, the creation of the Arizona Water Bank and the opportunity that Nevada has to share in that storage capacity bear witness to the fact that the impossible is achievable when the need to do so is great enough.

Water cannot and should not be viewed by local, regional, or Federal elected officials as a mechanism as control or manage growth. It is a vital resource that is required to sustain life, and therefore people will always find a way to obtain it, even if it means the dissolution of tried and true paradigms. Using water as a tool to accomplish a livable community would be like trying to sculpt the David with a chain saw or paint the Mona Lisa with spray paint.

I want to commend the local elected officials in this community for their recognition of this reality. Growth management is an important issue which must be addressed through more precise, direct local tools, such as regional planning, parks and trails, ordinances to preserve open space, common-sense zoning and housing density limits, and agreements with the private sector for master

plan communities with set aside land in advance for the important needs of the public. That is smart growth. Thank you.

Senator REID. We will now hear from Robert Lewis, president, Nevada region, Kaufman and Broad.

STATEMENT OF ROBERT E. LEWIS, PRESIDENT, NEVADA REGION, KAUFMAN AND BROAD HOME CORP.

Mr. LEWIS. Thank you. Like many of the others speaking before you today, I am here not only as one of those involved in the growth of our community, but also as a resident enjoying a quality living environment for myself and for my family.

Over the years we have experienced tremendous growth in our valley, and with this growth has come strains on our infrastructure and changes to our lifestyles. What is remarkable to me is how well our community has been able to accommodate this tremendous rate of growth. Through the effort and cooperation of the public and private sectors, we have maintained a thriving economy, improved the quality of life for our residents, and turned what otherwise might have remained a hostile desert into one of the most desirable living communities in the country. We have had to tolerate some growing pains along the way, because progress rarely comes without some inconvenience. But overall, we have an awful lot to be proud of.

Senator Bryan asked what the prior panel felt the role of the Federal Government should be. I would like to offer some comments in that regard. The activities of the Federal Government in land-use decisions should be those that are necessary to enforce the provisions of the Constitution, such as those relating to property right, the rights of citizens to freely locate, and to protect against unlawful discrimination. Further, the Federal Government should continue striving to achieve its national priority of providing decent, safe, and affordable housing for our citizens. Beyond this, it would seem that land-use decisions are best made at the local level. The suggestion that the Federal Government should become involved in "smart growth," whatever that term means, is somewhat frightening to me. Local governments are far better equipped to deal with land-use decisions.

Over the years, the Federal Government has played a dominant role in protecting our environment, and for the most part the results have been satisfactory. However, it seems the time has come to put some balance into the process. Some agencies and some regulations have grown to the point of being overly burdensome and out of balance with other needs. In some cases, opponents of growth have abused the regulatory process to further their own agendas. As current regulations are enforced and new regulations proposed, I would like to see some cost-benefit analysis performed to assure that the burden of the regulation does not exceed the benefit hoped to be derived.

In particular, I am concerned that some of the regulations relating to air quality, water quality, waste water treatment, wetlands, accommodating the disabled, and protecting our endangered species impose costs and time delays way beyond the benefits provided. Compliance with overly burdensome regulations strains our ability to provide infrastructure necessary to accommodate those choosing to move to our community, and it diverts our limited re-

sources from more beneficial uses. As relates to the housing industry, such regulations drive up the cost of housing, thereby denying housing opportunities to many families.

I am further concerned if unreasonable regulations adversely affect our ability to attract new industry to southern Nevada. Our economy is fragile because of its level of dependence on one industry. We need to attract new industry to diversify our economy and maintain its vitality. We should not allow concerns about attainment of perhaps unreasonable Federal standards to discourage industry from locating here.

Discussions of Federal regulations also brings up the issue of unfunded mandates. If the Federal Government chooses to impose costly requirements on us, then the Federal Government should also be sure that adequate revenue sources are available to comply with these requirements. To do otherwise would limit the ability of our local governments to provide the other infrastructure and services expected from them.

Since the Federal Government is such a major land owner in Nevada, what it does with its land impacts all of us. I am happy to see that the BLM will again be selling parcels of land in developing areas. A significant impact on the cost of providing infrastructure has resulted from the necessity to leap frog over BLM parcels. Allowing some of the proceeds from BLM sales to be returned to the local governments is a fair way to reimburse for the costs of providing the infrastructure that enhanced the values of the BLM parcels. I am also pleased that BLM will be working with local governments on decisions relating to the disposition of such parcels.

The auction of BLM parcels is a much better choice than disposition of land through the exchange process. The history of the exchanges seems to be that the government overpays for the property being acquired and undervalues the property being disposed of. This is not only a bad deal for the taxpayers, but also unfair to those who must acquire land in the marketplace.

An area our industry would welcome help from the Federal Government is in regard to tort reform. The housing industry throughout the country has been attacked by trial lawyers promoting litigation as a means of generating unconscionable legal fees. The consequence has been that in many places liability insurance is prohibitively costly or unavailable. Many builders are unwilling to build attached for-sale housing because of a fear of class action suits. The result is that a sufficient quantity of affordable housing is not being built.

A final area of concern I have is the speed with which we are able to respond to our growth needs. We are growing fast in southern Nevada which means that we need to act fast to provide the infrastructure we need to support this growth. We need new roads, highways, water systems, sewer systems, and so forth built now. To whatever extent the Federal Government can assist in providing funding and in expediting the process will be beneficial to all of us. Delays are costly both in terms of money and in terms of the quality of life for our residents.

I appreciate the opportunity to testify before you, and I will be happy to answer any questions. Thank you.

Senator REID. Thank you very much, Mr. Lewis.

We will now hear from Mr. Jacob Snow, Executive Director of the Clark County Regional Transportation Commission.

STATEMENT OF JACOB SNOW, EXECUTIVE DIRECTOR, CLARK COUNTY REGIONAL TRANSPORTATION COMMISSION

Mr. SNOW. Thank you, Mr. Chairman. Senator Bryan was here earlier and he mentioned that he enjoys the dubious distinction of being the longest in the tooth of this panel today that is testifying. I think despite the fact that Commissioner Kincaid and Ms. Mulroy look younger than I am, I bear the dubious distinction of probably being the shortest in the tooth today. And hopefully I won't find out that I have bitten off more than I can chew.

This is the second day on the job for me in this new position, so it is a great privilege and honor for me to be here and provide some testimony before you today on livable communities. I have lived in a number of places around the country and around the globe and this is the place where I call home.

What we are doing at the Regional Transportation Commission. Since 1990 we have added more than half a million people to our population in southern Nevada. And as a result of that, back in 1990 when we wanted to go to work it averaged about 16 minutes to get there, and in 1998 that average figure has more than doubled; it has grown to thirty-four minutes to get to work. Now what are we as the metropolitan planning organization, the primary transit service provider doing about that issue?

Well, rather than just tell you, we have a tape that we would like to show you to show you what we have done in the past. If we could start that tape now, please. I am going to show you what we have done in the past and what we are doing now.

This is the CAT bus system that started off in December 1992. During the first year of operation in 1993, we had approximately 13 million people ride the CAT bus system. Since then we've grown exponentially, about 35 percent per year. In 1998, we had more than 46 million people ride the CAT bus system. Significant growth. Most of our growth is fueled by local demand. Eighty percent of our ridership comes from the residential areas and the neighborhoods. That is where much of our demand is based.

Now the Las Vegas strip is a little bit different. It is unique in transit in this country that we have a route that runs along the strip. It runs 24-hours a day, 7 days a week. We have about a million people per month on those strip routes. It is a very important source of transportation for us.

Our CAT fleet, that you see on the screen right here, has 296 coaches that are fully ADA-compliant. All of our buses are equipped with bicycle racks. We average more than 35,000 bikes on our busses each month, and that exceeds the averages for the ecotopia capitals of the Pacific Northwest, Seattle, Washington, and Portland, Oregon. We are very proud of that fact, promoting a new modality.

Now what you see on the screen, this isn't part of our fixed fleet, these are the CAT paratransit service busses. There is 120 of them, all in compliance with the Americans with Disabilities Act. We provide curb-to-curb service for the growing mentally and physically disabled population in southern Nevada. This CAT bus paratransit

fleet runs exclusively on compressed natural gas, a very clean burning fuel. It is the largest alternatively fueled fleet in the State and that helps Clark County meet some of the air quality goals that Commissioner Bruce Woodbury was talking about, who is also the chairman of the Regional Transportation Commission.

What you see on the screen now on the right is the bus we want you to focus on. That is the CAT Car. It is not really part of our fixed route system, CAT CAR stands for Citizens Aided Transit Community Access Route, nor is it part of our paratransit system; it is kind of a hybrid between the two. It runs on a fixed route on a set schedule but it gets off those major roadways to provide front door drop-off and pick- up service to major medical facilities, like you see UMC here, as well as major commercial facilities like the malls, and major recreational facilities. We have one route that operates in the Las Vegas area, we added one in Henderson last year, we are adding one in Summerlin right now. We meet extensively with the community to get impact from them and input from them on how this service ought to be operated, where it ought to go, and how it ought to function.

We also have some specialty bus services that we provide—downtown circulator routes, express routes to get across town along the strip, and some enterprise zone routes that are focused on where the jobs are. And that meets a special niche in our community.

What you are seeing on the screen now are the plans for the expansion of the downtown transportation center. That is our only transfer hub in our transit system. It is right to the west of us. We would like to thank you particularly, Senator Reid, for your efforts in TEA–21 in getting a special project so that we could look at adding a new transfer terminal station on the southern end of the resort corridor. That southern transfer hub is in the environmental review phase right now. When it is complete we will be able to add a lot of additional amenities that we don't now enjoy in this downtown transportation facility. It will offer new transfer options for the community as well. We are greatly looking forward to that.

We cannot continue to rely on building roads and putting busses on the road to meet our growing congestion and air quality concerns. We need to do more. And so for the future, we are launching a project called CAT Match Commuter Services. It is a transportation demand management program that is designed for area businesses and their employees. Through the use of computer matching, participants can receive free transportation information on convenient carpool, vanpool, transit, biking, or walking alternatives. We don't care if they rollerblade to work or if they ride their skateboard, just as long as they are not one individual in their car trying to get to work.

We need to provide incentives for people to be able to do this successful. Through the use of a club ride card we will be able to have employers provide their employees with preferential parking onsite discounts from local merchants and monthly cash prizes. We think that is a significant incentive.

We also need to provide incentives for the employers. And through TEA–21 there is now the capability for participating employers to reduce their payroll expenses by up to 15 percent per participating employee. We think that is a significant incentive.

That is what we have done, what we are doing now, and what our plans for the future are to reduce congestion and improve air quality in southern Nevada.

In conclusion, Mr. Chairman, you know that in the past I have spent much of my career in the air transportation industry. There is a gentleman that you know, his name is Herb Kelleher, the chairman and chief executive officer of Southwest Airlines, and Mr. Kelleher is very proud of the fact and he brags that Southwest Airlines, because of their low fares, has brought the freedom to fly to the American public. I am here to tell you today, Mr. Chairman, that the Citizens Area Transit System has provided the freedom to ride for southern Nevadans.

So many times we see where both parents in the family need to work and they do not have access to two vehicles or even one vehicle. CAT gives them the freedom to get to work and to get to day care. For the tens of thousands of disabled people in our community, the CAT paratransit system not only gives them freedom, but a new found independence and a feeling of self-reliance because they do not have to rely on family or friends to get them where they need to go. And even with these increased commute times that we see today, even for the well-healed commuter, the CAT system gives an alternative to a long, torturous, and difficult commute.

We do not think that we need to look to the Federal Government to solve all of our transportation and growth problems. But we do think the Federal Government plays an appropriate role in funding transit and transit-related infrastructure. And we look forward to continue working with you in that regard. We also think there is some merit to providing incentives to local governments who promote transit- friendly land-use policies.

That is my testimony, Mr. Chairman. Thank you very much.

Senator REID. Thank you very much.

Ms. Mulroy, former Senator Simon, he retired a year or so ago, has written a book on water. He has become kind of the world conscious trying to develop the recognition that water is so important that wars are not going to be fought in the future over land, but over water. To make a long story short, I am going to send him a copy of your statement. I think it really indicates some of the things that can be done and the fact that growth cannot be controlled, generally speaking, by simply cutting back the water.

What you did not talk about, we cut your time down, is what has happened in northern Nevada. The Little Truckee River supplies the water for the northern part of the State and it has not stopped growth up there even though when someone wants to build a home they have to come up with water. An acre foot of water up there costs as much as $6,000. So I appreciate very much your testimony.

Would you mind sharing with us some of the things that have been done to have water consumption decline by as much as 16 percent in southern Nevada. What are some of the things that you have initiated?

Ms. MULROY. Yes, Mr. Chairman, I would be delighted to share with you some of the successes here in southern Nevada. Conservation is a very difficult subject for any community to embrace because it means changing lifestyles, it means changing attitudes,

and, quite candidly, it means changing the ethic of an entire community.

In southern Nevada, we have very much achieved that. The local elected officials deserve a huge amount of credit for some of the courageous ordinances and courageous measures that they have put in place to achieve that conservation. We have a four-tiered rate structure, we have ordinances that limit the time of day when you can water during the summer months when our landscaping eats so much of our precious water supply. We have communities that have adopted turf limitations in new construction. We are offering cash to our customers for removing their grass. We are now going to embark in partnership with the Federal Government on a new innovative program to give people new washing machines that are front-loaders in order to reduce the amount of water that they use in laundering. The list is limitless.

We spend millions of dollars every year promoting water conservation in everything we do and in our way of thinking here in southern Nevada. The community has stepped up to the plate in a miraculous way, both on a voluntary basis and, quite candidly, in being supportive of the regulatory measures that had to be put in place in order to create a level of fairness for everyone.

Senator REID. The last thing I would like you to touch upon, we hear so much about green space, you were in Washington recently doing a television show and on that show you talked about the Las Vegas Springs Preserve or Big Springs, whatever we want to call it. Talk to us a little bit about that.

Ms. MULROY. The Las Vegas Springs Preserve is a once in a lifetime opportunity for a generation of southern Nevadans or many generations of southern Nevadans to restore and bring back the birthplace of southern Nevada. There aren't a lot of communities that can actually point to one specific location where the community was born and from whence it sprang. Here in Las Vegas we have that opportunity.

There are 180 acres nestled in the middle of urban Las Vegas and on that acreage we are going to create a central park very much Nevada style with an area designated for a large desert botanical garden, with restoring the original ecosystem that existed up in that area when it all began many, many years ago. In fact, this site goes back to the early Anasazi. If you wander the site, you can find arrowheads still lying there on the ground untouched, you will find original chimneys from ranch houses, you will find original chicken coops. Much of what was Las Vegas still remains there very much untouched.

We will replicate the historical experience of what it was like to be in Las Vegas at the turn of the century and to be one of the early settlers. It is an experience that the community has embraced. There is a foundation that has been created that—Janey Greenspun Gail is the chairman of that—which will by the year 2005, which is Las Vegas' centennial, allow the water district board, in partnership with the foundation, to give back to Las Vegas its birthplace and allow future generations of Nevadans to see where it all began.

Senator REID. Thank you very much.

Mr. Snow, tell us about some of the plans that RTC has for the future. You did an excellent job through the presentation that we saw on film about what the RTC is now doing. But what are some of the plans that you have to deal with growth and development?

Mr. SNOW. Thank you, Mr. Chairman. I think I would like to answer that question in terms of talking about the letters RTC. They stand for Regional Transportation Commission. But really the 'R,' in my book, stands for roads. We are looking at a policy now where we will be advancing $200 million worth of funding to accelerate the construction of the Las Vegas beltway and other projects in the principal arterials here in southern Nevada. That will be a little bit of a departure from previous policy. We are looking at working with Clark County who is constructing the beltway and doing that. Now that's the R portion.

The "T" I think we could call it transit. We have about 300 busses on our fixed route system right now. We are going to need to expand that considerably. The resort corridor area, if you could just imagine three new Maryland Parkways and four new Tropicana Avenues going through the resort corridor from downtown to the end of the strip, that is what is going to be needed in the next 20 years to meet surface transportation needs. There just isn't the right-of-way to do that there, so expansion of our bus transit system is going to be a major mission for us. We are going to need to go from 300 busses now to at least double that and then some to meet that transit demand. We are also looking, as my chairman of the Regional Transportation Commission Bruce Woodbury talked about, and as the Mayor of Las Vegas talked about, we are looking at a fixed guideway system in this community as part of the equation. We are looking at a park and ride lots as part of the equation.

And then the final component is the "C" which really is our MPO function, it is community transportation planning. This transportation demand management program that we are kicking off where we are providing incentives for the private sector. A lot of people along the resort corridor don't have I think the employee parking that they would like to have. If we can work with carpools, vanpools, and transit system to get employees into and out of that area, that would be very beneficial. About 93 percent of the area's population lives outside the resort corridor but 50 percent of the jobs are in the resort corridor.

So that is really our big transportation challenge. So if we can work with building roads, with transit, and with transportation demand management, getting people out of their cars into these ridesharing programs, then I think we will be able to meet the demand, and that is what our plan for the future is.

Senator REID. I am not going to ask the question Senator Bryan did of Pat Mulroy or Jake Snow about what can I do to help. You always ask plenty and——

[Laughter.]

Senator REID. So there is no need to invite those questions.

Thank you all very much.

Our final panel this morning consists of Mr. Tom Stephens, Director of the Nevada State Department of Transportation, who is here by direction of Governor Guinn; Mr. Allen Biaggi, Adminis-

trator, Nevada Division of Environmental Protection; Mr. Jim Gibson, Mayor of the City of Henderson, Nevada, and also chair of the Southern Nevada Strategic Planning Authority; and Mr. Jay Bartos, president, Friends of Red Rock Canyon. If you would all be seated and make yourself comfortable. We will first hear from Mr. Tom Stephens, we will then hear from Mr. Biaggi, Mayor Gibson, and then Jay Bartos.

Would you please proceed, Mr. Stephens.

STATEMENT OF TOM STEPHENS, DIRECTOR, NEVADA DEPARTMENT OF TRANSPORTATION

Mr. STEPHENS. For the record, my name is Tom Stephens. I am the Director of the Nevada Department of Transportation. I really appreciate the invitation to be here today.

Growth is the driving issue in Las Vegas Valley, as we have heard, and it has been for over 50 years. In the 30 years since 1970, when the current "Spaghetti Bowl" interchange of I–15 and US 95 was built, the population of Las Vegas Valley has grown by over 400 percent. In 1970, Las Vegas, and I'm talking about the whole area, was the 115th largest metropolitan area in the country, and by next year it will be the 32nd largest after passing New Orleans. San Antonio and Indianapolis are not far ahead of us.

As we all know, the main force behind the growth has been the expansion of the gaming industry. But it has also been encouraged by the extremely favorable business climate in Nevada, not only for gaming but for all industries. Las Vegas is the most attractive and most modern major city in the world. Hundreds of thousands of people walk down its streets everyday just to marvel at its architecture. Las Vegas has some of the most desirable residential areas in the Nation, and every year tens of thousands of Americans move here to retire.

Many good things have been done to accommodate all of this growth. Las Vegas has developed one of the Nation's finest water systems, and we just heard about that water system. Most of the large residential areas are part of planned communities, and urban sprawl has been kept amazingly under control considering the unbelievable rate of growth. The foresight of requiring dedication of right-of-way for wide boulevards along section and quarter section lines until this decade has helped Las Vegas avoid the degree of traffic gridlock associated with other cities its size. The publicly owned bus system, which we just heard about, was not even in existence at the beginning of the decade, is now recognized as the finest of its size in the Nation. New freeways have been built to the north and east, and a beltway is being constructed around the city with local funds.

Yet all is not rosy. Traffic congestion is a daily occurrence and commute times have increased dramatically. Air quality is a major issue. People living along the freeways are demanding relief from the constant noise.

I represent a highway perspective. First and foremost, I would like to thank Nevada's congressional delegation, and especially you, Senator Reid, for the support you gave to Nevada last year in the Transportation Equity Act for the 21st Century. Nevada is now the recipient of $70 million more per year in Federal highway funds.

This is a 62 percent increase over the previous Federal highway funding contained in the Intermodal Transportation Equity Act of 1991.

This hearing is on livable communities. And the question today is what the Federal Government can do to help us make Las Vegas a more livable community.

I have five items that I would like to just tick off, things I have thought of that maybe we could use more help with. That may sound a little ungrateful because you have given us so much help in the past, but I won't hesitate to ask for more. I will be like the RTC.

First and foremost, if you can help us speed up our efforts to eliminate traffic gridlock by streamlining the environmental review process. This streamlining is called for in TEA–21, but the process appears to have been bogged down now. Often the environmental processes seemed to be used as a way to slow down and try to kill a highway project by opponents who have little real concern for the environmental issues involved. I think if we can identify the true environmental issues and streamline this process, we will be far ahead in meeting our growth demands.

Second, make the air quality—and I would like to qualify my testimony here—make the air quality testing requirements more reasonable so that we can concentrate our resources on more important air quality problems. For example, even though there have been great improvements in carbon monoxide levels in Las Vegas in the last 10 years, and the chart that Chairman Woodbury showed demonstrated that, the basin is still considered to be in nonattainment because we continue to have two or three incidents a year when levels exceed the standard instead of at just one single site, not throughout the whole valley, but at just one site. The carbon monoxide levels for the whole valley are judged on just one location on a couple of days a year.

We should be concentrating more efforts on control of dust or PM10, which is a worse pollutant in terms of livability than carbon monoxide at just one site. This does not mean that carbon monoxide isn't important, but we are getting it down to minuscule levels and not paying enough attention to other problems which may be more serious.

Third, streamline the Federal delivery requirements for the popular "enhancement program," which includes such things as sidewalks, bicycle paths, landscaping, and restoration of selected historic buildings, which all improve the livability of the community.

Fourth, remove the prohibition on the use of Federal funds to retrofit noise walls along the freeways. This will greatly improve the livability of those impacted by freeway noise.

And fifth, and I am adding this to my testimony, protect the preference given to Federal lands States in the distribution of the public lands highway discretionary fund. This is under attack now in the rulemaking that is going on at the Federal Highway Administration with the thought that we are going to distribute all the money throughout the country somehow equitably. Well, I would suggest to you the west is where that money is supposed to be spent and that is where the bulk of it should be spent.

Thank you for the opportunity to testify here today. This is an important issue to the Nevada Department of Transportation and to everyone who lives in Nevada.

Senator REID. Thank you.

We will now hear from Mr. Allen Biaggi, Administrator, Nevada Division of Environmental Protection.

STATEMENT OF ALLEN BIAGGI, ADMINISTRATOR, NEVADA DIVISION OF ENVIRONMENTAL PROTECTION

Mr. BIAGGI. Thank you, Senator Reid, and thank you for holding this hearing today on growth and livable communities. In my testimony this morning, I would like to outline some of the tools the State of Nevada has available to assist local governments and citizens to make our communities better places to live and improve environmental quality for the residents and visitors of the State.

As you are no doubt aware, in Nevada land use planning and zoning are primarily county and city issues. Our State legislators have wisely recognized that such activities are best done at the local level. Consequently, limited authority over these issues is granted to State Government. We do, however, have certain resources and programs available to assist local governments in making these difficult decisions. Some of these resources have been in place for some time, some are very new; an outcome in fact of the 1999 legislative session.

One long-standing tool is Section 208 of the Federal Clean Water Act which has been in place for over two decades and contains provisions to address long-term community planning as it relates to water quality. In Nevada, a number of jurisdictions have taken responsibility for the development of these plans, including Clark County Comprehensive Planning, the Truckee Meadows Regional Planning Agency for Washoe County, the Tahoe Regional Planning Agency for the Lake Tahoe Basin, and the Nevada Division of Environmental Protection for the remaining portions of the State.

Section 208 Plans must address municipal and industrial waste water treatment needs and priorities of the area for a twenty-year period and include alternatives for waste water treatment, for land acquisition for treatment systems for waste water collection, for urban storm water runoff control, and provide for the financial mechanisms for the development of such treatment works.

The planning process is designed as a cooperative effort involving local, State, and Federal agencies as well as the public. The process is initiated with the preparation of a draft waste water management plan which is solicited for public comment. Once public comments have been received and integrated into the plan, the agency submits it to the State and ultimately to the Federal Environmental Protection Agency for certification. This plan then controls the issuance of discharge permits and other water quality activities including the funding of waste water improvement projects from the State Revolving Loan Program.

Most importantly, however, the 208 plan must identify open space and recreational opportunities that can be expected from improved water quality, including considerations of potential land use associated with treatment works. An excellent example here in the Las Vegas area is the national award winning wetlands area estab-

lished by the City of Henderson. This unique area combines waste water treatment while providing habitat and sanctuary for a variety of birds and animals. It is also becoming more and more recognized by the public as an area for experiencing the unique desert wetlands ecosystems which were historically in place in the Las Vegas Wash.

Clark and Washoe Counties have aggressively pursued the planning process to meet growth needs in their respective communities. Amendments to these plans have to date been well-conceived and have limited the water quality impacts of continued growth. For another example, the Las Vegas Bay at Lake Mead was not meeting water quality standards in the 1980's and recreation was limited in that portion of the lake. Through the planning process, local agencies designed, at great expense, and built upgrades to existing waste water treatment plants to improve water quality while at the same time expanding capacity to meet the needs of growth. Today plant discharges have increased, yet the receiving waters and overall water quality have been improved. Because of these improvements, the State is now considering modifying the beneficial uses in the Las Vegas Bay to include swimming.

The 1999 session of the Nevada Legislature brought about a number of changes related to livable communities planning and urban redevelopment. Senator Dina Titus introduced, the legislature passed, and Governor Guinn signed into law Senate Bill 363, which is commonly called Nevada's "brownfield" bill, which will be administered by the division to remove barriers and encourage the reuse of lands that contain environmental contamination. Through this process we can help revitalize our urban cores, encourage environmental clean-ups, and reduce the need for development of virgin, undisturbed lands.

The 1999 session also passed a series of bills that will change the way we approach regional planning in Nevada, especially as it relates to air quality. Through the concept of regional planning coalitions, a process has been created to broadly organize and empower an umbrella planning entity that allows cities and counties to jointly work together on resource-based issues. Planning efforts of State agencies will be coordinated and circulated through these regional planning coalitions which are geared to seeking innovative planning and development solutions outside the framework of conventional planning strategies. This is a dramatic step forward especially for air pollution with obviously is transient and does not recognize political boundaries.

These are but a few examples of what we have available to assist in making our communities in Nevada better places to live from a resource perspective. The Nevada Division of Environmental protection and the State of Nevada stands ready to assist and help in any way possible.

Again, I want to thank you and the committee for your interest in this very critical and important issue. Thank you.

Senator REID. Thank you very much.

Our next witness will be Mayor Jim Gibson, the chairman of the Southern Nevada Strategic Planning Authority.

STATEMENT OF HON. JIM GIBSON, MAYOR, CITY OF HENDERSON, NEVADA, AND CHAIRMAN, SOUTHERN NEVADA STRATEGIC PLANNING AUTHORITY

Mayor Gibson. Senator Reid, thank you very much for the invitation to participate in these proceedings. We recognize the important contributions you have made to the southern Nevada community during your years of service in the State and in the Nation's Capitol.

As you may know, just last week the U.S. Census Bureau announced that the City of Henderson led the Nation for the eighth straight year in population growth, with a 135 percent increase in population during the decade of the 1990's. It is an understatement to say that the City of Henderson is impacted by growth.

I am glad to hear today's speakers discuss issues such as air quality, water quality, and transportation. In a recent survey of Henderson residents, these regional issues topped their list of the top growth-related concerns. As the Mayor of Henderson, I can tell you that these regional issues are also my top concerns.

This past decade, we rolled up our sleeves and we tackled the issues of growth. Cities in our position know that the growth management battle includes radical views and proposals. For southern Nevada the battle cry began 3 years ago when State proposals to control, or even stop, growth were pushed to the forefront of public discussion. We heard calls to place a growth restrictive ring around the valley, to dramatically increase development fees to slow growth, and even to place a moratorium on building permits. Some of these proposals made their way to the State Legislature where State representatives considered replacing local government authority to manage growth issues with State mandates.

In 1997, the Nevada State Legislature recognized that growth is a local issue, best managed by those governments most closely connected to its challenges and responsibilities. Led by the efforts of State Senator John Porter, a clear majority adopted Senate Bill 383, creating the Southern Nevada Strategic Planning Authority. The 21-member authority consisted of elected representatives from southern Nevada city councils and the Clark County board of commissioners along with southern Nevada business leaders and residents. They included a broad based representation, representatives from Clark County, the cities of Henderson, Las Vegas, North Las Vegas, Boulder City, and Mesquite, and citizen representatives from each community, the home builders, the Nevada taxpayers association, the Nevada resort association, the environmental community, minorities, labor, chamber of commerce, and the Nevada Development Authority.

The authority members were charged with developing a 20- year strategic plan for the Las Vegas Valley. The plan brought together a variety of public and private members with strong individual interests to reach consensus on both a vision for the future of the valley and an action plan to get us there.

The final product, the Strategic Plan, was presented to the 1999 Nevada State Legislature. The plan identified 12 areas impacted by existing and future growth, and included goals, objectives, and strategies to address each of these issues. No southern Nevada entity had ever undertaken a comprehensive study of this scope from

a regional perspective, and the recommendations contained in the final plan represent an historical and significant local initiative in dealing with growth and quality of life issues.

Throughout this process, the authority members agreed that local government handling local problems, with regional collaboration on regional issues, is by far the most effective solution to sustaining livable communities and enhancing the quality of life for our residents. Regional collaboration on issues of regional importance became an effective tool for addressing issues such as transportation, environment, economy, and education.

Most importantly, we recognized that a cookie-cutter approach to individual community standards, such as parks and recreation and land-use planning, is not always appropriate, or beneficial, as our citizens desire that we continue to resolve problems in our communities. For example, I mentioned earlier that the City of Henderson residents were satisfied with local community standards, but their priority concerns were regional in nature. It is clear that the City of Henderson alone could not adequately address our residents' top priorities without regional collaboration.

Lead by local governments, business leaders, and citizens, the authority's regional effort has received national praise. In the 1998 Urban Land Institute's publication "Smart Growth," the Southern Nevada Strategic Planning Authority is highlighted as a regional approach to smart growth initiatives. Locally, many of the recommendations included in the strategic plan have already been adopted. One such initiative is the creation of the Southern Nevada Planning Coalition, composed of elected representatives from local governments whose charge is to oversee the implementation of the recommendations included in the strategic plan.

The City of Henderson continues to work proactively in addressing our growth-related issues. In a recent agreement between the City of Henderson and Clark County, both jurisdictions agreed to jointly plan along jurisdictional boundaries for consistency in transportation, land-use, and future utility siting. This is another first for southern Nevada and represents the kind of intergovernmental collaboration necessary to meet the challenges of growth while maintaining and enhancing the quality of life for our residents.

In reflecting on our accomplishments over the last 2 years, we have seen an incredible paradigm shift in how local governments interact to address issues of growth. It became incredibly clear that disjointed or unplanned growth without regard to whether people enjoyed living here in the Las Vegas Valley does not serve the public interest. The authority members are proud of our hands-on consensus-based approach as this diverse group had to learn how to delve into tough issues and arrive at decisions together. The challenge we successfully faced was to define what quality of life means to the people who live here so that the right strategies could be pursued to protect and improve our lives.

In the final analysis, we found that our strategic planning process got to the heart of what concerns most cities across the Nation, while the debate regarding quality of life issues is elevated to a national level. The recent dialog surrounding the Administration's Livability agenda hits at the very core of issues covered during our 2-year strategic planning process. We mirror the Livability agen-

da's concerns in addressing the preservation of open and green spaces, clean air and water, safe places for families to work, play, and relax, easing traffic congestion, enhancing citizen and private sector involvement in planning, collaboration between neighboring communities in promotion of economic competitiveness. Our desired outcomes are the same—how do we protect and enhance our quality of life.

Our completed strategic plan and its legacy of regional collaboration is evidence that these tough issues can be resolved locally. Perhaps the authority's strategic plan will be useful as a blueprint for local cooperation and solutions to effectively address growth. Thank you, Senator.

Senator REID. Thank you very much, Mayor.

We will now hear from Mr. Jay Bartos, president, Friends of Red Rock Canyon.

STATEMENT OF JAY BARTOS, PRESIDENT, FRIENDS OF RED ROCK CANYON

Mr. BARTOS. Thank you, Senator. The Friends of Red Rock Canyon, as I am sure you know, is an organization of volunteers devoted to the protection of the Red Rock Canyon National Conservation Area. Our 200 or so volunteers are there to assist the Bureau of Land Management by leading hikes, presenting nature programs for adults and children, teaching teachers about Red Rock, building and maintaining trails, and a host of other jobs. We all come from a wide variety of backgrounds but we do all have one thing in common—our love for one of Nevada's natural treasures.

The growth of Clark County is mirrored by the changes at Red Rock over the years. For 1,000 years or so the area was used by Native Americans for food and shelter. In the early days of Las Vegas, some of the area was homesteaded. In 1960, as recreational use increased, the State became interested in preserving the land, and by the early 1970's a combination of State and Federal actions had led to protection for some 62,000 acres.

The focus of the area was changed from recreation to conservation in 1990, reflecting the need to better protect the increasingly popular area. Continued population growth led to the expansion of the conservation in 1994 to 195,610 acres while there was still something there to conserve.

There are now well over a million visitors a year and Red Rock Canyon is being affected. Just as the increase in residents and visitors strains our own local infrastructure and our nerves, the ever-increasing use of the roads and trails at Red Rock creates strains there. Perhaps more so, because the fragile desert is easily destroyed by people who wander off the trails in search of ever-elusive solitude. Those resulting unofficial trails multiply rapidly, scarring the land and contributing to a number of environmental problems.

Outdoor recreation should provide rejuvenation, a physical and mental re-creation, if you will. That becomes less likely to happen as more visitors create more conflict. Hikers, bikers, climbers, riders all compete for space and a piece of nature. As the city creeps ever closer, the numbers of people with easy access to the canyon

will increase, and, inevitably, each person there views his or her desired use of the areas as the right and proper one.

The effects of increasing numbers of people on desert plants and animals are often not evident until almost too late to reverse. There hasn't really been a lot of research in this area, so often things that happen do catch us by surprise. For instance, the population of ravens has increased in the Mojave Desert as reliable sources of food—people—increase. The tidbits they provide will allow the birds to stay around and breed more often than they would otherwise. And the young desert tortoises, the tortoises being a threatened species themselves because of habitat destruction, now find themselves under a more direct threat. It takes several years for the tortoise shell to harden enough to resist a raven's beak, and with more and more of the clever, sharp-eyed ravens about, all too many of the young tortoises simply wind up as a quick snack.

Coyotes thrive where people live and are especially happy to see well-watered suburbs in the desert. Rather than decimating their natural prey, however, they prefer to go after something a little slower and a little less clever—our cats and dogs. This creates a people versus animal scenario the coyotes can only lose.

In fact, as we know, plants and animals are impacted by growth throughout the county, not just in the Red Rock area. A proposed conservation plan devised by the county and the U.S. Fish and Wildlife Service is designed to allow continued development in areas containing threatened plant and animal species, beginning with some 79 already on the list. This could be a good first step to ensuring that those species do not go out of existence, but only as long as funding is adequate for proper monitoring. And I might also add that increased funding for the Harry Reid Center for Environmental Studies at UNLV, whether that money comes from the State, from the university itself, or from the Federal Government, would go a long way in pointing out prospective problems that could be cutoff before they become too impossible to solve.

Air pollution, of course, is a county-wide problem edging ever closer to Red Rock. If you climb Turtlehead Peak on a winter's day, chances are you will see Las Vegas enveloped in a yellow and brown cloud. With houses and casinos being built right to the edge of the conservation area now, how long will it be before Turtlehead Peak itself is covered by this same air? We have heard a lot today about various programs and projects underway to make sure this air is clean and kept clean. Well, let's hope that the county, prodded by the Environmental Protection Agency, can keep this from happening. A greater push toward alternative fuels and better mass transit, as we have also heard about today, would be a start along that road.

Any change of direction can only happen if certain things come together. Education perhaps is No. 1. People recognize the problems caused by growth but too often will just throw up their hands in helplessness when faced with solving those problems. They just seem too big. Showing that solutions can come a step at a time encourages action. In dealing with environmental issues, sometimes simply showing how everything is connected can open eyes.

And finally, I think good political leadership is a must. The changing emphasis on regional cooperation, which we have heard today, again is something that has become more and more prevalent over the last couple of years to tackle the many regional issues. Too many local politicians remain local; they talk a lot about managing growth while doing too little about it.

A 1996 University of Nevada poll indicated that 81 percent of southern Nevadans are looking for growth to slow or, at worst, stay the same. We have heard today about any number of initiatives designed to make our growth smarter. Mayor Goodman's inner-city proposal would be one that would greatly benefit both the human inhabitants of Las Vegas and the plant and animal inhabitants of the county. Hopefully, these and others will be successful.

And Senator, one thing, as long as everyone is here asking for money, that you could perhaps initiate is ensuring the funding for the BLM, as they manage Red Rock Canyon, is constant as more and more personnel are needed that are not covered by the fee demonstration program. And also a suggestion that the Rainbow Gardens recreation area over on the other side of town is kept as a project going full force. And not to forget Lake Mead as a national recreation area which is in dire need of personnel and all kinds of things that only Federal funding can bring. So that would be my only plea for money.

I thank you for inviting me here today.

Senator REID. Thank you very much, Mr. Biaggi. In Reno I hear a lot of problems about the ravens. I hear now you talking about southern Nevada raven problems. What should we do about it?

Mr. BARTOS. I know in the past there has been proposals to have a hunting season on ravens, as there has been for crows which also present a number of problems. I am not sure what the solution is other than that if you are looking toward balancing the turtle population, the raven population. As long as there are people here, the ravens are going to thrive simply by finding those alternative sources of food.

Senator REID. I think it would be a real benefit to me and I think the Congress if the recreation community would get together, that includes the hunters and the people who are interested in backpacking and other such things, and try to come up with some solutions. For us to do anything with the ravens, it is an international treaty that we are talking about, that is the reason they are protected.

Mr. BARTOS. I am not sure there is anything we can directly do to affect the ravens in that way. But I am happy to say that here in Las Vegas, for instance, as the Bureau of Land Management was setting forth their new proposal to set how Red Rock Canyon would be run in the future, there was a lot of cooperation among the various groups.

Senator REID. I am talking specifically about ravens, I am still on ravens. I cannot remember as a boy in Searchlight ever seeing a raven or a crow, I can't tell the difference. But now there are lots of them.

Mr. BARTOS. There are lots of them.

Senator REID. That is one of the prime desert tortoise habitats we have and little turtles get devoured, as you have indicated, by

these big voracious appetites these big black birds have. So you could be a help to us if you could come up with some ideas as to what could be done to control the raven population.

Mr. Biaggi, I think one of the things we didn't talk about that we should have talked about is the work that you have done on the Sunrise landfill. I think that is tremendous. The State has worked very hard in trying to come up with some kind of a solution to that problem. We are hopeful that can come about. Talking about a quality of life issue, I think that is certainly one.

We have this huge landfill up here that should, if it were handled properly, be a recreational site. Right now, having been there and smelled it, you could not be very close to that and keep your lunch down. So I am glad that the State has worked with us in trying to come up with a solution to that. We thought we had something worked out, as you know, but it didn't work out. Maybe the county's most recent solution might work. That is up to the county. Otherwise, as you know, the penalties are ongoing with the national Environmental Protection Agency.

Mr. BIAGGI. I appreciate that, Senator. I think what you are seeing at the Sunrise landfill is where environmental protection will be going in the future, and that is a collaboration of local, State, and Federal activities to recognize and resolve environmental problems. We could not do it all at the local and State level and the Federal Environmental Protection Agency has become involved. We certainly will continue to work with them and their efforts to address the problems posed by that facility.

Senator REID. You certainly should have a good understanding of Nevada Division of Environmental Protection. You have been there for almost 20 years, isn't that right, and now you are its administrator. So we appreciate your good work.

Administrator Stephens, a number of our witnesses have talked about air quality problems in the valley as one of their biggest concerns. In your testimony, you refer to both the carbon monoxide and particulate matter, basically dust. Referring now just to carbon monoxide, what can the Federal Government be doing to help local communities combat this type of air pollution?

Mr. STEPHENS. I think you mentioned one new step that is coming out now is with the diesel. The biggest strides in controlling carbon monoxide and air pollution in general has been at the source, which is the automobile. The cafe standards for automobiles have gone a long way. Now you are doing something with diesel. I think you need to look at the sport utility vehicles which are classified as trucks and have a much lesser standard than the automobile. I think that is where the key to this is.

I think stopping highway construction so that we have giant traffic jams is not going to be the method of controlling air pollution, at least as far as carbon monoxide is concerned. So I think the standards that you set at the source are the best way to go after it. But then you also have to look at other issues too.

Senator REID. We tend to focus on fixed air polluting structures. You can look and see the smoke coming out of a stack. But we all recognize, or we should recognize that the vast, vast, vast majority of the air pollution comes from automobiles and trucks and busses. That is why I was so happy to read today that there is going to

be an effort made to do something about busses and trucks. You know, you are behind them and they take off and that black stuff belches out. We need to do something about that. You would agree with that, wouldn't you?

Mr. STEPHENS. Absolutely. The legislature passed a bill recently to set up a special air quality commission in southern Nevada to study the issue, and they talked about the three pollutants that you already know the Federal Government regulates, carbon monoxide, particulates, and ozone, but they also added a fourth, and that is the urban haze issue that they are going to take a look at. Of course, that is what most people see when they look at the air and that they are concerned about. And the diesel I think is especially contributing to the visible pollutants.

Senator REID. One thing we have not talked about today is noise pollution. Tell us a little bit about the sound wall project. I worked very hard to get some money for some sound walls. But tell me why it is difficult to put up sound walls.

Mr. STEPHENS. Well, to start with, they are retrofitted. As you know, many of our highways have steep slopes next to them. Where would you put the wall? How would you secure the foundation? Especially if you are already on a bridge, you cannot put a big sound wall on either side of a bridge without overloading the bridge. So there are certain restrictions there that make it very costly to go in and retrofit sound walls in many areas.

We have a program where we believe that the noise issue is not just a highway issue, it is also a land-use issue. If you allow subdivisions to go in right next to highways or apartment houses without requiring any kind of noise mitigation, I think that the people who control the land-use have contributed to it too.

And so we have a program where we have a matching program between local communities and NDOT. But at the same time, in the National Highway System Act of 1995 there was a prohibition against use of Federal money for retrofit of sound walls. We are going ahead and doing a retrofit program for Henderson, and we were going ahead with State and local funds before we got the additional Federal funds that, because it was a specific appropriation, got around that NHS prohibition. But the prohibition is still there in the law. I think communities should have a right to take a look at using some Federal funds to do this as well as State and local funds.

Senator REID. The last question I would like to ask you is tell us what is going on with Interstate 15. I was out here today and one of the news channels indicated that I think it was next Monday was the 25th anniversary of I–15 being opened through the Las Vegas area. As we know, this is the lifeline of southern Nevada economy, but also the southern California economy. They used to think it was just our problem but when their trucks cannot move on the roadways it interferes with their commerce also. So tell us what is happening with the Nevada Department of Transportation work with California and the Federal Government to get the widening projects moving along more rapidly, and what else is going on to help travel on I–15.

Mr. STEPHENS. And that is essential to our economy. The 40 miles in Nevada from here to Primm, we are working on the first

seven miles now and should have it widened, this is from the airport connector to Lake Mead Drive, should have that widened to six lanes total instead of four lanes by the end of the year. As you know, the Barstow interchange in California, they have been working on that for the past several years and we hope this fall——

Senator REID. That is the one I missed the plane ride to go——

Mr. STEPHENS. Right. Yes.

Senator REID. That is a little private joke, if Jane Ann is still in the audience.

Mr. STEPHENS. But we expect that to be open this fall and hopefully we will have a dedication ceremony out there.

Senator REID. That will be completed this fall?

Mr. STEPHENS. Yes.

Senator REID. Tell us why that will help the traffic between L.A. and Las Vegas.

Mr. STEPHENS. That is a big bottleneck right there where I–40 and I–15 come together in Barstow. Basically, you have got two 4-lane interstates that come from the east and all come together in Barstow and they are going through a totally inadequate interchange, and then they continue on on the other side of Barstow as a 4-lane highway. Well, it doesn't take any type of a highway engineer or someone of greater intelligence even to figure out that when you take eight lanes of traffic and run it down to four you have the classic bottleneck. The start of the bottleneck is right there where they join together and that is what the first project is all about. Nevada contributed money to that, and you were instrumental in getting a great deal of Federal money to make that project possible in the 1991 ISTEA.

The next project that we have to do is between the other side of Barstow and Victorville, where it is four lanes all the way. We need to expand that to a six lane highway at least. Nevada has offered to contribute $10 million of its Federal appropriation toward that project. I think Congressman Jerry Lewis got $24 million for that project earmarked in TEA–21. I am sure you were absolutely helpful in what was going on with that because we contributed some of Nevada's money to that and I think you had control over some money going——

Senator REID. Is that project going to go forward?

Mr. STEPHENS. Yes, that is. But it is going forward at a slower pace than we would like, just like the first project went through. Because even though this is absolutely critical to Nevada, in the whole California scheme of affairs, the projects around Barstow and the high desert are not as high a priority for them as other urban projects.

Senator REID. San Francisco and, yes.

Mr. STEPHENS. The other thing is we are working on the truck climbing lanes, the design of that, between Jean and where we leave off with the six lane portion here, and then we are going to go ahead with the entire widening out to Primm. For example, just the other day we had a really bad accident out there. Now, I don't know whether that would have been helped if that had been a six lane road, but there were seven people killed. It is a very high accident road both between here and Primm and between Primm and Barstow.

Senator REID. When might there be hope of that being done?

Mr. STEPHENS. Well, as far as our side of the thing, I believe that we will have that done within 5 years, if you don't hold me to it. We are working on it right now. We are doing environmental studies. It might be even shorter than that.

Senator REID. Tell us about the road from here to Pahrump, how are we doing there?

Mr. STEPHENS. The road from here to Pahrump is going along very well. We hope to have an opening ceremony I believe in September for the four lane divided highway, which will really reduce the accidents out there. That 17 miles of four lane divided highway will be open and I think that we are going to be scheduling a dedication of that. The improvements in the road to Pahrump have been tremendous over the last 6 or 7 years. And, again, you have been instrumental in getting the public lands highway discretionary grants which have made that possible. Otherwise, I don't think that would have been competitive with the urban needs.

That is why it is so important to make sure that they don't start distributing these public lands highway moneys based on some sort of geographical rather than a Federal lands issue. In Nevada, 87 percent of the State is owned by the Federal Government. The next highest State in the continental United States I believe is 67 percent.

Senator REID. Alaska I think is——

Mr. STEPHENS. Well, Alaska, yes, and Arizona is in there. But turn that around and that makes the figure more dramatic. Thirteen percent of the land in Nevada is private land. The next lowest State has more than double the private land in Nevada.

This program is absolutely critical to us. Nevada is kind of like we are an island nation because of all the vast areas of Federal land in between. And unlike Hawaii which doesn't have to build highways between their islands, they just use the ocean, here we have to build highways across the Federal land to get across. We think that there is a legitimate equity for having the Federal Government give us special funding to help us fund these roads that have to go across these Federal lands which we cannot tax and cannot use.

Senator REID. Mayor Gibson, we appreciate very much your taking the chair of the Southern Nevada Strategic Planning Authority. That is certainly something that not only involved in that organization are all the local entities, but certainly the Federal Government will take note of what decisions are made by your organization. It is very important to the future of this area. And one of the reasons for this hearing is to make sure that the Federal Government and its entities work as partners with State and local government. So congratulations on your new job. I know you did not have much else to do.

That concludes the hearing. We appreciate everyone's attendance. We look forward to input from each of you in the future. This information, as I have indicated earlier, will be taken by the court reporter, as has been done, and the information will be shared with the various members of the Environment and Public Works Committee.

This is the first stage of an ongoing dialog that I want to have on these issues. As I have indicated, I grew up here. I want to make sure that this community stays a community that is one that I look to with pride, as I do. Even though when I came over the hill from Searchlight railroad pass and looked down on this tremendous growth, not only did I look with amazement and awe, but also with great pride at the work that has been done here. This is a wonderful community and I never tire of bragging about it. This is a community though that we have to be very careful to preserve and that we work together to make sure that we do have a livable community in the years to come.

This concludes this hearing. The committee stands in adjournment.

[Whereupon, at 11:55 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

[Additional statements submitted for the record follow:]

STATEMENT OF HON. RICHARD BRYAN, U.S. SENATOR FROM THE STATE OF NEVADA

Let me just preface my comments by commending you not only for convening this hearing, but for the leadership you have provided on the committee on which, as you point out, you will soon be the ranking member. I don't think people understand how important that is to us in southern Nevada, but that gives you, as you know, Mr. Chairman, the premiere role in every piece of legislation that is processed by the committee, and that is extremely important for us in southern Nevada. We are fortunate to have you in that position.

As you were parting the veil of nostalgia and we were looking back on our own youth, you are so right, southern Nevada today is profoundly different. The mantra of our school years was that Nevada was the least populated State, that there was one person for every square mile, that everybody could be seated in the Los Angeles Coliseum for a sporting event, every person in Nevada.

Well, that is not the reality of today. I remember the first time that I heard the word "smog" sometime in the early 1950's, and I thought, well, what is this? I didn't understand it. I think people in Nevada did not comprehend what we were talking about.

Well, that was then, and today is now. And managing this unprecedented growth in a manner that sustains development and provides and promotes a healthy environment is perhaps the greatest challenge that we face in southern Nevada. The growth has been extraordinary, as we all know, unprecedented. No other part of the country has experienced this level of growth, and it becomes a real challenge—traffic congestion, school overcrowding, infrastructure delivery, air quality, land use planning are a handful of issues that currently confront community leaders.

I think, Mr. Chairman, you are extremely wise to convene this hearing in a city hall because primarily those issues affecting our growth are decisions which local community leaders, our local elected officials, will make. But I think you are also quite correct in indicating that because of the extraordinary presence of Federal agencies—the 87 percent that you made reference to—there is a role for the Federal Government to play in a partnership relationship. You and I have begun that role with the passage of legislation which we sponsored last year, the Southern Nevada Public Lands Act, which provides a unique framework, the primary purpose of which was to strengthen the role of local government planning with respect to any disposal of BLM lands the metropolitan area. That has not historically been a dialog that has matured as we had hoped, and with this legislation, none of those parcels can be disposed of without the concurrence of the affected local political subdivision, and all of the proceeds from the sale of those parcels remain here in Nevada; 5 percent, as you know, toward our State School Fund; 10 percent to the Southern Nevada Water Authority, and the remaining eighty-five percent either for the acquisition of additional environmentally sensitive lands for recreational purposes, or to enhance and improve those existing Federal recreational facilities which clearly have an impact on a quality of life issue which I think is so important for southern Nevada.

So I am delighted to be here with you, and I would like to share a part of the program, but I'm not going to be able to stay for the full time, Mr. Chairman.

Again I commend you on your leadership. I think this is terribly important for all of us in southern Nevada, and I look forward to working with you and our colleagues who speak next on this important growth-related issue that affects our State and our community.

STATEMENT OF HON. SHELLEY BERKLEY, U.S. REPRESENTATIVE FROM THE STATE OF NEVADA

Thank you, Senator Reid, for giving me the opportunity to speak this morning. I want to commend you for helping our southern Nevada communities focus on the issue of "livability." It is great to see our new Mayor, the Chairman of the Clark County Commission, a number of concerned citizens and representatives from local government here today, as well.

I believe we must build a partnership that will help us solve the problems associated with growth, and maintain our reputation as one of the best metropolitan areas in which to live and raise families.

We are uniquely challenged by growth in this community. It is no secret that we have the fastest-growing population and one of the fastest-growing economies in the Nation. Whether you live in the city of Las Vegas, Henderson, Clark County, or North Las Vegas, you know that the landscape is changing day-to-day with construction and roadbuilding.

The question all of us here today are confronted with is, how do we keep from being consumed by our own growth? Growth is a great indicator of prosperity and opportunity, and we have a lot of both here in the valley. Otherwise, we wouldn't have a 7 percent annual growth rate. When I tell my colleagues in Congress about our growth rate and dynamic economy, they just shake their heads. They feel challenged by population increases of 1 or 2 percent. It really catches their attention when I tell officials in Washington how we have over 70,000 new residents a year coming into the valley, and that there is no end in sight.

I have no greater mission than to be sure that the key policymakers in the Federal Government understand the critical growth-related needs of southern Nevada. Both of our Senators, both of you, both Senator Reid and Senator Bryan, have done an outstanding job in this regard, and I am proud to be working with the two of you on the House side.

We have seen dozens of communities around the Nation fail under the pressures of growth. We need look no further than to southern California, and I don't want to pick on our neighbors to the west, but they lost their battle to growth. Think of Los Angeles and you think of sprawl, pollution, congestion, and crime, and we don't want to become another L.A., not another statistic.

I believe our local government officials in southern Nevada have done a good job in keeping ahead of the growth curve. Our quality of life remains high and opportunity abounds; yet, we will have to redouble our efforts if we are going to keep ahead of the curve.

Clearly, important steps are being taken in the right direction. Just yesterday, Clark County leaders announced a long-range plan to provide parks and recreational facilities to meet the demands of a growing population over the next two decades. Southern Nevada's population is going to expand inevitably from the current 1.25 million or so, to 2 million-plus. Fortunately, there is a growing movement in this country and in this community to avoid the mistakes other cities have made in the past. Citizens, corporations, and all levels of government are pulling together to improve the livability of our communities.

Livability covers a number of topics. It means preserving green space and recreational facilities. It means building modern schools. It means providing better transportation and protecting our air and our water. It means making our streets safer and promoting economic opportunity across our communities.

I strongly support proposals currently being discussed in Congress to provide resources for local community planning, transportation, school construction, green space, and helping our police. Citizens and their local elected officials have the responsibility to make the decisions about what each community needs and how to spend their resources, while those of us in Congress have the responsibility to make it a priority to provide the needed assistance.

I want to thank you again, Senator Reid, for inviting me here today. I feel this forum is extremely helpful in setting a course for a livable Las Vegas well into the next century so that my children and my children's children will be able to grow up in a truly livable community.

Thank you very much.

STATEMENT OF NURIA I. FERNANDEZ, DEPUTY ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

Mr. Chairman, Senator Reid, and Members of the Committee: Good Morning. Thank you for inviting me here today to testify about the Administration's Livability Initiative and the important role of the Department in that initiative. With your permission, I would like to submit my statement for the record.

We at the Department of Transportation have discovered that transportation can be an important factor in restoring a sense of community, in bringing people together, and in enhancing the human and natural environment. We have just begun to realize what can be accomplished in our communities through thoughtful consideration of a mix of transportation solutions and creative approaches.

We cannot achieve our key national priorities – linking Americans to jobs, health care and education – without efficient transportation. The challenges we face do not stop at state borders. TEA-21 provides new opportunities to meet those challenges -- intermodalism, flexibility, intergovernmental partnerships, and a strong commitment to safety, environmental protection, enhanced planning and strategic investment. In partnership with our colleagues in the states and communities, and with the private sector, I believe that we can respond to the challenge of creating livable communities.

Vice-President Gore has said, "a livable community will be an economically powerful community." And, on January 11, 1999, the Vice-President launched the comprehensive Livability Agenda to help communities across America grow in ways that ensure a high quality of life and strong, sustainable economic growth. Key elements of this interagency initiative will provide communities with new tools and resources to preserve green space, ease traffic congestion, and pursue regional "smart growth" strategies.

Transportation plays a critical role in the Clinton-Gore Livability Initiative. Our One DOT *Transportation Livability Initiative* will assist communities in using existing DOT programs more effectively – to link safety, growth strategies, environmental quality and economic development in an integrated approach to community livability.

Airports, transit operations and highway construction provide millions of jobs and billions of dollars in economic impact across the nation all in the context of environmental regulations and land-use policies that have changed how we do business.

Our focus, at the Department, is on how to continue to maintain the high level of performance of the nation's transportation system in a manner that

is compatible with the environment and land use goals of metropolitan areas, small communities, and rural America, as well as with our economic objectives.

We need to see our transportation facilities as a national system, with each mode complementing the others, and working together as a whole for the benefit of all users. The Transportation Equity Act for the 21st Century (TEA-21) brought us closer to that goal. And, I would like to note at this time Senator Reid's leadership role on the Environment and Public Works Committee in developing the Senate bill and winning enactment of TEA-21. TEA-21 gives state and local governments even greater responsibility for planning all aspects of their state and regional transportation systems and more funding flexibility to pursue the goal of efficient, integrated transportation.

Since the inception of ISTEA, the Federal Transit Administration, under its Livable Communities Initiative, has demonstrated that placing day care, health care, job training and safety features at transit nodes, do much to add to the livability and quality of life in communities. As well, the placing of community services, such as police substations, and retail shops can spark new investments in low-income neighborhoods and can lead to transit-oriented development.

These projects have been undertaken in a cooperative fashion with the all segments of the citizenry and other federal agencies – Federal Highway Administration, National Highway Traffic Safety Administration, EPA, HUD, HHS, and Commerce – and the private sector. This assures that the leveraging of scarce Federal dollars leads to job creation, access to jobs and services and provides continued growth and vitality to communities.

TEA-21 has expanded the reach of capital transportation investments as well. TEA-21 has included important measures to contain sprawl. Under statue, the FTA must now evaluate candidate projects for New Start funding on transit-supportive existing and planned land use patterns.

Here in the Las Vegas area, the Department is working with the Regional Transportation Commission of Clark County as they seek to complete all of the federal requirements necessary to receive a ranking and rating grade for their fixed guideway project under the New Starts Program. Your streetscape improvement program and the City and County's support of high-density transit oriented development is a good beginning toward making this project a reality.

The Las Vegas area has also been actively using enhancement and scenic byway funding from FHWA to enhance the livability of the region. Since

enactment of ISTEA in 1991 over $6.6 million in Federal funds have been matched with your region for the construction of pedestrian and bicycle facilities, overpasses, pedestrian plazas and landscaping. Over $1.8 million has gone into ensuring that regional and state highways become scenic byways.

In addition, Secretary Slater recently announced that Las Vegas was one of seven states and authorities to receive pre-construction planning funds for a magnetic levitation (Maglev) high-speed ground transportation program. The Department has requested research funds in FY 2000 to determine if Maglev costs can be reduced to make it more affordable and cost-beneficial.

Aviation-related livability efforts in the Las Vegas Region involve cooperation between the Federal Aviation Administration and the operators of McCarran International Airport. The FAA and airport sponsor are reducing the effects of aircraft noise on incompatible noise sensitive areas such as homes and schools, while meeting the air transportation needs vital to the Region's economy.

The airport's FAA-approved Noise Compatibility Plan includes measures to purchase homes subject to airport-related day-night sound levels of 75-decibels or higher. This effort enables the residents living in these homes to relocate to quieter, airport compatible areas and allow Clark County to promote redevelopment of this residential area to land uses that are compatible with airport-related noise. The Airport and FAA will also expand the existing transaction assistance program to aid homeowners residing in areas receiving somewhat lower noise levels who wish to sell their residences.

The Noise Compatibility Program also includes the purchase and relocation of Paradise Elementary School to reduce airport-related noise impacts on students attending this school. Clark County will redevelop the school site to a land use that is compatible with airport operations.

Voluntary efforts among the airport sponsor, FAA, and the airlines serving Las Vegas will further reduce aircraft noise over noise sensitive land uses during nighttime hours.

These measures, in addition to the mandatory year-end phase-out of noisy Stage 2 aircraft will improve the livability of the Las Vegas Region by further reducing airport-related noise.

As future airport development projects are proposed to meet the Las Vegas Region's aviation needs, the FAA will work with the airport and community

to minimize those airport-related environmental effects and enhance the Region's livability.
These programs are a large part of what is helping to make the Las Vegas region an area where people want to live and businesses want to invest.

At the National Town Meeting held in Detroit in May, Secretary Slater, as part of the DOT's contribution to the Clinton-Gore Livability Initiative, committed the Department to partnering with communities in synthesizing the wide range of programs and responsibilities by:

1. Initiating the Transportation Livability Initiative which will:
   - develop tools outlining available livability programs, showcase success stories, and identify training opportunities;
   - convene regional transportation task forces;
   - select 10 cities across the nation with which to partner as they expand their existing livability efforts to show what can be accomplished by working together with other livability programs; and
   - collaborate with other Federal agencies to provide a network of individuals knowledgeable about livability programs across the Federal Government to provide states and communities with a powerful combination of resources and tools.
2. Developing stringent noise standards to reduce aircraft noise in particular.
3. Establishing a Center for Climate Change and Environmental Forecasting to address environmental issues and strategies with a broader view than the Department's individual programs.
4. Identifying means to provide communities with the best possible information on livability by developing a resource that will provide Data for Decisions on Livability.
5. Participating in the American Heritage Rivers Interagency initiative to assist community development along our Nation's most special rivers.

Communities seeking to preserve the heritage of the past and to build a prosperous future can bring together such programs as our Transportation Enhancements Program, Treasury's historic preservation tax credits and HUD's Community Development Block Grants to help turn deteriorated neighborhoods into more attractive places to live and work. Such local partnerships give added power and reach to any single agency's contribution.

The transportation component of the Livability Initiative combines what we can do now, under present programs, with what we must do in the future to make sure that the places in which we live will remain the places in which we want to live. Too often, Americans have become disconnected from their communities – unable to walk peacefully without enduring the roar of traffic or unsafe road conditions, unable to get to jobs and shopping areas

without facing gridlock, and unable to enjoy the amenities their communities offer.

However, by working together, we CAN design transportation strategies that create healthy communities and healthy economies that will allow all Americans to enjoy greater prosperity and a better quality of life.

Mr. Chairman that concludes my prepared statement, I will be happy to answer any questions.

STATEMENT OF HON. OSCAR GOODMAN, MAYOR, CITY OF LAS VEGAS, NV

are truly honored to have you here at City Hall today. With your consent, Senator Reid, I would like to submit my statement for the record.

Las Vegas, as you know, is a world-class tourist destination and one of the fastest-growing cities in the Nation. We have had an average annual growth rate exceeding 6 percent for the past 10 years. The population of the city itself has nearly doubled during the past decade. We have reached a population of approximately 465,000 citizens within the city limits alone.

As a rapidly growing city, Las Vegas has been characterized as a "sprawling" city. However, using some measures of sprawl, that may not be the case. For example, land consumption is seen by many as an indicator of sprawl; however, in Las Vegas, growth in land consumption mirrors growth in population. In fact, between 1990 and 1998, the city has increased the number of built acres by 50 percent, while at the same time increasing the population by 75 percent.

In many cities, development of single family homes on half-acre lots or larger contributes to sprawl. In Las Vegas, average lot size has been steadily declining. Since 1990, the average lot size for new single-family homes in Las Vegas is approximately one-eighth of an acre.

Depending on how one defines sprawl, Las Vegas may or may not be a sprawl city. But is it a smart growth city? That depends, in part, on how the city's residents perceive their quality of life. Based on a 1998 survey, 50 percent of our citizens are concerned with the effects that growth is having on their quality of life. More than two-thirds feel the pace of development is a contributing factor. Sixty-two percent of our citizens support implementing smart growth measures, while only 9 percent want to stop growth. People appear to appreciate the benefits of growth, while looking for strategies to minimize the negative impacts on their quality of life. Eighty percent believe a regional planning agency would be most effective in addressing growth issues.

According to our 1999 Quality of Life survey, the attributes having a positive effect on quality of life are fire protection, libraries, shopping opportunities, parks and recreational areas, climate, and police force. In general quality of life overall ratings, based on a survey of citizens, 65 percent rate our quality of life as good to excellent; 29 percent, fair; 5 percent, bad; and 1 percent, very bad.

Those attributes that give our citizens the greatest concern are traffic congestion, water quality, crime rates, air quality, and cost of health care.

Las Vegas may exhibit growth patterns that some experts would consider to be inconsistent with smart growth. For example, there is some evidence that our development pattern creates pressure on at-risk neighborhoods. As a result of rapid growth at the edge of town—some 71 percent over the last 4 years—the majority of public and private resources are being drawn away from our older neighborhoods. Others would argue, however, that these low-income transitional neighborhoods offer housing opportunities for folks to get a leg up on the economic ladder.

This is why the City's new comprehensive plan will focus on downtown and urban core areas. At the direction of the City Council, the plan will enhance the quality of our daily lives while continuing to accommodate growth and change in new and creative ways. This public planning process will refocus city policy toward encouraging infill development and downtown redevelopment. This is the logical thing to do.

Our new plan will focus not just on what goes where, but how it all goes together and what it looks like. Urban planning and urban design will become increasingly important as we mature into a 21st century city.

Nothing is more important to me and my new administration than revitalizing downtown. We must make our citizens proud of downtown again. We will strive to

build a new downtown that includes entertainment, shops, cafes, and new residential neighborhoods.

Now, the great opportunity exists to build an exciting new sports arena and related facilities right downtown. Steve Wynn has told us that he will bring a major league sports team to town if we can deliver a new stadium on the Union Pacific site. We will be very careful to make sure that the new development enhances existing downtown development and is linked to mass transit.

In the next decade or so, we will run out of buildable greenfield lands within our city. This is a fact; we are landlocked. We must now begin to incorporate new residential opportunities within the older, urban core of our city. This will encourage vitality and diversity. If the city of Las Vegas wants to continue to grow, it must begin to look inward for new development opportunities.

A truly successful downtown must include thousands of units of new housing, and also integrate daily shopping needs, like a supermarket, within easy walking distance. We must build new downtown neighborhoods oriented toward making a truly urban lifestyle.

You know, we have folks moving from all over the Nation and the world to join us here in Las Vegas. We must strive to build a world-class city that serves our diverse population and provides for all their daily needs and big expectations. Families move here for the climate, for good-paying jobs, for affordable housing, and for the low cost of living. But what else is missing that we need to strive for? Better schools, more parks, a performing arts center, maybe even an art museum, to name a few. At the same time, we must revitalize our older in-town neighborhoods by finding ways to empower our citizens to take control of their streets and neighborhoods. Some of our strongest communities reside within our oldest neighborhoods surrounding downtown Las Vegas. We must encourage young families and professionals to return to our urban neighborhoods. This will strengthen our inner city and lessen our dependence upon building new infrastructure. This will help free up our capital budgets for building parks, playgrounds, community centers, and walkable streetscapes lined with trees.

Wouldn't it be great to be able to walk to a bookstore or ice cream shop after dinner? Shouldn't our kids be able to walk to school, or to the movies on Saturdays, without having to cross six or eight lanes of traffic?

The city must encourage the public and private sectors to work hand-in-hand to devise one seamless mass transit system for the whole Las Vegas Valley. This is good for downtown Las Vegas, and good for the Strip resorts and Clark County. And thanks to you, Commissioner Woodbury, for your efforts. The city will also begin to look at redevelopment opportunities surrounding our future fixed guideway transit stations. We can imagine new monorail stops surrounded by shops and cafes, townhouses, lofts, and courtyard apartments.

Why can't we continue to upgrade our system of roads and highways, and also begin to mingle our land uses so that some folks can live and work in the same neighborhoods? Why can't we become less dependent on our cars and offer other transportation alternatives that are good for our environment? Do we need to pave our way out of our transportation problems?

The city supports the design and construction of a high-speed train linking downtown Las Vegas to Los Angeles. This is good for our downtown businesses and good for our citizens. It is important that Las Vegas optimize its role as a tourist destination, advance its position as the hub of southwest development, and serve as a model city for sustainable development patterns.

In conclusion, Mr. Chairman, I would say that the city of Las Vegas is not the poster child for sprawl. We are clearly a young, vibrant, 20th century frontier town built around the car and technology. And—I must emphasize this point—we are determined to take the actions necessary to mature into a world-class city for the 21st century. Las Vegas is unquestionably the most exciting city on the planet, and I am very proud to be serving as its new Mayor.

Thank you very much.

STATEMENT BRUCE WOODBURY, CHAIRMAN, CLARK COUNTY BOARD OF COMMISSIONERS

Good Morning Mr. Chairman and members of the committee. My name is Bruce Woodbury and I am currently the Chairman of the Clark County Board of Commissioners. Additionally, I also serve as the Chairman of the Regional Transportation Commission and the New Regional Planning Coalition. All of our cities and the county are represented on these regional boards. I appreciate the invitation to testify this morning. The subject of today's hearing is one which is important to every-

one; rich, poor, Republican, Democrat, married, single, young and old. The focus of my remarks today will be on how we in the Las Vegas Valley have come to understand that maintaining a vibrant, livable community, a growing, sustainable economy, an efficient transportation system and a healthy environment are issues that are closely tied to one another. Given this and the fact that these issues affect all aspects of our community, we understand that a regional problem solving approach is necessary.

You will hear today from my colleagues in local government about all we are doing to meet the challenges of providing a high quality of life in the fastest growing community in America. Others will talk about land use, community planning, water, transportation, etc. I want to focus chiefly on that which is fundamental to us all, the quality of the air we breathe. We have struggled with two pollutants for many years—carbon monoxide and inhalable particulates (or PM10). We are confident, however, that our local efforts will ultimately result in air quality that meets all of the nationally established standards.

In recognizing that we need to do more in this area, I would also like to state that through a combination of our local efforts and partnerships with our Federal and State counterparts, we have made substantial progress in improving our air quality despite the effects of explosive growth. I would like to touch on just a couple of representative examples.

In the recent past, I have been involved with two locally created, consensus based efforts to define for ourselves the sources of our air quality problems and the best methods of addressing them. Our Clean Air Task Forces I and II came up with a Clean Air Action Plan with over 140 recommendations, most of which have been implemented. As you can see from Chart 1, the recommendations included, as examples, more stringent controls on automobiles and diesel trucks, use of cleaner fuels, aggressive regulation of construction sites, better enforcement of regulations pertaining to industrial sources, fireplace controls, and car pooling, mass transit improvements and locally funded regional transportation facilities. Currently we are looking at additional major improvements in mass transit and a public/private partnership to build a fixed guide way system. We all know that traffic jams and pollution go together. RTC and the NDOT have been working together to fund significant expansions of important roadways and highways including the improvements to the Spaghetti Bowl and the widening of I–95, and Clark County is funding a 53-mile beltway solely with local tax dollars. These improvements in transportation infrastructure will reduce carbon monoxide and improve our air quality. I mention these programs because they are representative of the fact that in Clark County we are willing to take strong local action without mandates and therefore, deserve the right to chart our own course in meeting the environmental and transportation needs of this community.

As you can see from chart 2, despite our significant growth, we have made substantial progress in meeting the carbon monoxide standard. It is important to point out however that new and improved roadways are not enough. We believe that with additional diligent local efforts, and through our continued partnerships with our Federal and State counterparts, we can meet the carbon monoxide standard as well as the PM10 standard. We believe this can be done through a combination of clean fuel requirements, more motor vehicle emissions testing, a regional dust control program and improvements in transportation and mass transit infrastructure.

We need your help however. We would hope that Congress would understand the need to keep Federal funds flowing to areas struggling to meet air quality standards. Additionally, we believe that the Tier II tailpipe standards proposed by the EPA are important in meeting our goals.

Certainly, we believe that local government is best suited to make important decisions about air quality improvement measures and priority transportation issues. Heavy handed Federal intervention, as compared with cooperation, is almost always unwarranted, time consuming, and counterproductive. You will recall that the Board of County Commissioners decided in 1998 to accelerate construction of the beltway around Las Vegas. We learned that the fastest way to move ahead with this project was to "de-Federalize" it. While there were many who were skeptical, we worked successfully with the Federal Highway Administration to regain local autonomy over the project. Working through our own Public Works Department we have opened eight miles of the southern beltway and early next year we hope to complete the entire southern segment and be well under way in the western and northern segments. We expect to complete the initial facility by 2003, which is 10 years ahead of the FHWA timetable. this will be a tremendous benefit to our community.

Finally, we want to pro-actively work to prevent ozone and fine particulate levels from becoming serious problems in the Las Vegas Valley, and would like to see the

changes in Federal EPA regulations that would allow us to use cleaner fuels before the area exceeds the standards in question.

I appreciate this opportunity to provide local perspective on this important issue. We would be happy to entertain any questions that you might have.

STATEMENT OF RICHARD W. BUNKER, PRESIDENT, NEVADA RESORT ASSOCIATION

Good morning. Senator Reid, members of the committee, my name is Richard Bunker and I am President of the Nevada Resort Association. The Nevada Resort Association is the largest association of resort casinos in Nevada, representing over 50 properties throughout our State.

If my thoughts today are heard because of who I represent you understand that they are driven by my love and affection for this community. I have lived in Southern Nevada for my entire life, growing up here as a boy. My children and grandchildren call southern Nevada home. I know, Senator Reid, you share my experiences, growing up in a small desert town, going to school, on to college, all the time watching the town grow into a city and then a thriving metropolis of now more than 1.1 million people.

For most of all that time Las Vegas was the most livable of communities. were an enviable blend of the best aspects of a small town and the amenities re closely associated with big city life. We had a sense of being a small town wherein everyone knew each other and cared for each other. But we had the luxury of living amid the excitement that can only be found in the "Entertainment Capital of the World".

And the success of our unique brand of resort community has led to incredible economic prosperity. In the last 10 years the number of tourists visiting Las Vegas has gone from a little more than 17 million people per year in 1988 to 30.6 million in 1998. Hotel space has nearly doubled in a similar time period, going from 61,000 rooms in 1988 to more than 106,000 by the end of 1999.

Those millions of visitors, tourists, and conventioneers have increased taxable resort revenues by nearly 100 percent, going from $6 billion in 1990 to $11 billion last year. Furthermore, investments of billions of dollars have gone into new megaresorts such as the Mirage, which started it all, to our most recent examples of Bellagio, Mandalay Bay, and the soon-to-be-opened Paris.

As you can well imagine, very much like other communities which have experienced exponential growth, the issues quickly turn to those of livability, as infrastructures become strained, social schisms begin to emerge, and environmental consequences begin to be felt. The shadows cast by growth and prosperity are always economic, social, and environmental. In Las Vegas, at least, these consequences have been held to a minimum, in large measure due to the resort industry.

The resorts are more than just the sum of concrete, steel, casino tables and slot machines; they are the product of creativity and, more importantly, commitment to this community. The resorts are where hundreds of thousands of Nevadans work each day. According to a recent report by the University of Nevada, Las Vegas, the hospitality industry employs more than 300,000 Nevadans directly, an increase of nearly 50 percent in the last decade. Not only do these jobs provide livable incomes to hundreds of thousands of new Nevadans, they provide some of the basic social needs in the form of health insurance and pension benefits. The impact is staggering, with nearly one of every three adults you meet employed directly by the tourism industry and many more employed as a result of the economic expansion and diversification made possible by this flourishing industry.

That prosperity has been an economic success story which is the envy of the country. And the industry I represent is justly proud of the role we play. We do far more, however. Due to Nevada's tax structure the gaming industry provides the backbone for all State and local finances. As all of you know Nevada does not have a State income tax, or other broad-based revenue generators. The taxes levied on the gaming industry provide more than $22 billion in Federal, State, and local taxes, and account for nearly 50 percent of Nevada's general fund budget. Moreover, our customers contribute to the sales, gasoline and other user-based taxes.

As strong as our industry is and as large as our contribution is to State and local finances, there are public needs still not being met. In education—kindergarten through 12th grade and higher education—and in the public health arena programs are still underfunded. Many infrastructure needs still exist. As public officials all of you know that there is never enough revenue to fund the many legitimate, worthy public programs. But you also realize that equity must exist in how the tax burden is distributed. Herein lies a quintessential shortcoming in Nevada's system. Whereas the economic base has diversified, that diversification has not been visible in the distribution of the tax burden.

Governor Guinn has taken the lead and is in the process of a top to bottom review of State spending to insure that public funds are being spent wisely, efficiently and within the priorities he and the legislature have determined. The Governor has indicated that he will also review State finances—who pays the taxes and who doesn't.

As I stated earlier, an examination of our State revenue picture will reveal that the gaming industry is more than meeting its obligations to our community. I also believe that this examination will reveal that other sectors of the economy are virtually escaping responsibility.

We in the resort industry have met our obligations. Over and above our tax contribution, we have directly invested in meeting environmental challenges and social and cultural demands that have confronted our hometown. We have always been the first to step up to the plate—not the last to bat. We will continue to provide good jobs with the necessary healthcare and retirement benefits to our employees. As we watch the funding debate, we in the resort industry will be particularly interested in how any new burdens, if they must come, will be apportioned. If fairness and concern for the health of our economy drive this debate we would expect that new burdens would not be added to those businesses which already pay the lion's share of today's taxes before those enterprises escaping the tax collector are asked to match our contribution.

As this committee examines the question of what makes a livable community, I would suggest that the bedrock of any community that calls itself livable is a sustainable, growing economy which provides good, solid jobs. Without that stability, we cannot ever hope to address our social and environmental challenges. The time has come for those sectors of our economy who so richly share in the prosperity and who desire the same "livable community" accept the responsibilities that are rightfully theirs to share as well. Thank you.

STATEMENT OF COMMISSIONER MARY KINCAID, CHAIRMAN, SOUTHERN NEVADA WATER AUTHORITY

Introduction

Mr. Chairman, I am Mary Kincaid and I am a member of the Board of County Commissioners for Clark County and I serve as Chairman of the Southern Nevada Water Authority. The SNWA member agencies are;

Big Bend Water District in Laughlin;
Boulder City;
City of Henderson;
City of North Las Vegas;
Clark County Sanitation District; and
The Las Vegas Valley Water District which serves Clark County and the City of Las Vegas.

I thank you for asking me to testify today about how we in southern Nevada have managed our most precious public resource, water. Please excuse me if I brag just a little bit about the Southern Nevada Water Authority because it is truly a remarkable example of how regional cooperation among local governments can produce significant results.

Water Wars

It was not all that long ago that the municipalities and the County acted like they do everywhere else in the west, we fought over water. Under the old paradigm, the State Colorado River Commission divvied up Nevada's share of the Colorado River to each city and water purveyor based upon projections of need. As you can appreciate, each entity wanted the most water it could get so our "needs": estimates became somewhat inflated. Furthermore, because of the time tested water doctrines of "first in time is first in right" and "use it or lose it", each water purveyor sought to beat the other to the well, so to speak, with the biggest and best plan to quickly use up all our water. Because the town of Laughlin had the lowest water right priority, they faced the absurd prospect that in the event of a drought on the Colorado, the town's entire supply could be lost while the residents of the Las Vegas Valley continued to enjoy watering their lawns and washing their cars twice a week.

Needless to say, under such a system the ethic of water conservation was almost nonexistent. As we in southern Nevada raced toward the precipice of exhausting our then available supply, we finally woke up and came to our senses.

Birth of the Southern Nevada Water Authority

The fundamental principle which we came to realize is that for the good of the community as a whole, each of us must surrender our water weapons and end the

water wars. Beginning in May 1989, with the help of a water management consulting firm called Water Resources Management Inc. (WRMI), the leaders of each city and county water and wastewater agency began a process which led to the establishment of the SNWA on July 25, 1991. During this 2 year "WRMI" process there were some difficult days of negotiation, mediation and realization. What emerged from the WRMI process over several months was a new paradigm, "share and share alike".

The SNWA is a regional governmental body which has been vested by all of its member agencies with the responsibility to manage southern Nevada's water supplies without regard to arbitrary jurisdictional boundaries or the old rules which encouraged us to squander and waste our most precious resource. We have agreed to abandon water right priorities among purveyors. We agreed upon a division among the purveyors of the State's remaining allocation of Colorado River water. We have developed a shared shortage agreement to protect Laughlin. We have agreed to common water conservation standards to be applied everywhere. We are pursuing jointly additional supplies of water which will be shared by all.

Partnership with the State of Nevada

A second significant and important accomplishment was the enactment by the 1993 Nevada Legislature of a new law which reconstituted the Colorado River Commission with three members from the SNWA. This important reform recognizes that with respect to our involvement outside with other Colorado River states, we are all Nevadans, our objectives should be unified into a single strategy for the benefit of southern Nevada.

Two years later the 1995 Legislature provided yet another layer of cooperation by transferring responsibility for the Southern Nevada Water System from the Colorado River Commission to the SNWA whose member agencies deliver water directly to the customers.

While these institutional reforms may not appear to be all that significant, all it takes is a quick look at the water wars which are occurring in California to understand the value of uniting in cause and purpose. Our successes have been significant. Every entity has enacted far reaching water conservation ordinances which have already achieved a 16 percent reduction in water use with the goal of 25 percent by 2005. We have consolidated our water resources, both groundwater and Colorado River water, to add in effect an additional 300,000 acre feet of supply which will take us to 2025. We have embarked upon the largest water system expansion in the country and have garnered the support of 74 percent of the electorate of Clark County for a .25 cent increase in the sales tax to pay for it. Our new water system will provide new delivery capacity sufficient for decades, improve water quality, and offer greater reliability.

Conclusion

Again I want to thank the Committee for this chance to explain how the SNWA has become a leader in the west in managing our water resources. We have proved with water that the whole can be greater than the sum of its parts. Thank you.

STATEMENT OF PATRICIA MULROY, GENERAL MANAGER, SOUTHERN NEVADA WATER AUTHORITY

Introduction

Mr. Chairman, I am grateful to be here today to discuss a subject which comes up quite often: growth and water. There exists a commonly held myth in some of the rapidly growing areas of the southwest that growth can and should be controlled through the measured allocation of water. Indeed, we have all seen the national news magazine programs and the major newspaper articles which tell a story of how Las Vegas is experiencing blockbuster growth without any regard for its most finite resource, water. Well, I am here to tell a little different story. As explained to you by Commissioner Kincaid, this community has accomplished water management reforms which other States only talk about.

Water and Growth

First, I would like to debunk the notion that you can control growth with water. In 1973, the Department of the Interior had it right when it published the following statement:

"According to a study prepared for the National Water Commission, water development and regional economic growth are not necessarily connected. Ample water supplies for agriculture and/or municipal-industrial use, the existence of water based recreational resources, the availability of low cost hydroelectric power etc.,

etc., do not provide in and of themselves a sufficient condition for economic growth. Furthermore, in some situations they may not even be necessarily conditions for such growth to occur.

. . . Accessibility to major markets, availability of quality labor supply, transportation costs and alternatives, and climate all play a role in establishing conditions favorable to growth. . . . The fact that an ample water supply may not, under certain conditions, be necessary for growth is indicated by the rapid rate of economic growth in certain so called "water short" areas of the west and southwest."

In other words, people do not follow water; rather, water tends to follow people. Our own experience at the Las Vegas Valley Water District is an excellent example of this fact. Many will recall that in 1991, after several years of explosive growth in population and water deliveries to our customers, we reached a point where our current contract for Colorado River water was fully committed. On February 14, 1991, the Board of the Water District reached the difficult decision that it could no longer issue "will serve" water commitment letters to developers and it imposed a "temporary suspension of new commitments for water" until such time as additional water resources could be obtained to meet new commitments.

As you can appreciate, this suspension was very controversial and many in the community called upon us to continue making new commitments based upon an expectation that we could get additional resources. In this town that is called "betting on the come". This course is exactly what California has done in recent years to its detriment. While we were determined that we could negotiate a new contract for more Colorado River return flow water from the Secretary of the Interior, both the timing and the amount was at issue. Ultimately, after many months a contract for Nevada's final allocation of Colorado River water was signed and the suspension was lifted.

The suspension of water commitments lasted from February 1991 until March 1992, just over 1 year. One might expect that with such a significant time period where no new water was available, that growth would slow down. Well guess what? For the 9 years from 1989 to 1998, the total population increased by 67 percent and our water use increased by 52 percent. During the 1 year period of the suspension and the year that followed, there was no appreciable drop in population growth or water deliveries. And it's important to remember that without our excellent conservation results, those water use numbers would have been even higher. What happened?

Supply and Demand

In a market economy, the law of supply and demand rules. When the supply drops and the demand remains constant or increases, the value of the commodity increases and the need to find creative, cooperative solutions with your neighbors becomes an imperative. Yes, scarcity challenges the status quo. Shared supplies, like the Colorado River, that in an era of abundance can be managed as distinct and separate pieces must be viewed from their totality. Success, just as it has been proven in the creation of a global economy, rests in creating larger interlocked hydro commons. As utopian as this may sound to some, the creation of the Arizona Water Bank and the opportunity that Nevada has to share in that storage capacity bear witness to the fact that the impossible is achievable when the need to do so is great enough.

Conclusion

Water cannot and should not be viewed by local, regional or Federal elected officials as a mechanism to control or manage growth. It is a vital resource that is required to sustain life and therefore people will always find a way to obtain it, even if it means the dissolution of tried and true paradigms. Using water as a tool to accomplish a livable community would be like trying to sculpt the David with a chain saw or paint the Mona Lisa with spray paint. I want to commend the locally elected officials in this community for their recognition of this reality. Growth management is an important issue which must be addressed through more precise, direct, local tools such as regional planning, parks and trails, ordinances to preserve open space, common sense zoning and housing density limits, and agreements with the private sector for master planned communities which set aside land, in advance, for the important needs of the public. This is Smart Growth.

STATEMENT OF ROBERT E. LEWIS, KAUFMAN AND BROAD HOME CORP., NEVADA

My name is Robert Lewis. I am President of the Nevada Region of Kaufman and Broad Home Corp. and Lewis Homes. We develop land and build homes in Nevada as well as in numerous other States. I have lived in Las Vegas for over 26 years,

and my companies have built over 30,000 homes in southern Nevada. Like many of the others speaking before you today, I am here not only as one of those involved in the growth of our community, but also as a resident enjoying a quality living environment for myself and for my family.

Over the years we have experienced tremendous growth in our valley, and with this growth has come strains on our infrastructure and changes to our lifestyles. What is remarkable to me is how well our community has been able to accommodate this tremendous rate of growth. Through the effort and cooperation of the public and private sectors, we have maintained a thriving economy, improved the quality of life for our residents, and turned what otherwise might have remained a hostile desert into one of the most desirable living communities in the country. We have had to tolerate some growing pains along the way, because progress rarely comes without some inconvenience. But, overall we have an awful lot to be proud of.

The Federal Government has been a major player in southern Nevada throughout the years not only in its regulatory role, but also as a major employer and as a major landowner. To the extent that it is the purpose of this hearing to reevaluate the role of the Federal Government in Nevada, I would like to offer my observations and suggestions.

The activities of the Federal Government in land use decisions should be only those that are necessary to enforce provisions of the Constitution such as those relating to property rights, to the rights of citizens to freely locate, and to protect against unlawful discrimination. Further, the Federal Government should continue striving to achieve its national priority of providing decent, safe, and affordable housing for our citizens. Beyond this, it would seem that land use decisions are best made at a local level. The suggestion that the Federal Government become involved in "Smart Growth," whatever that term means, is frightening. Local governments are far better equipped to deal with land use decisions.

Over the years, the Federal Government has played a dominant role in protecting our environment, and for the most part the results have been satisfactory. However, it seems that the time has come to put some balance into the process. Some agencies and regulations have grown to the point of being overly burdensome and out of balance with other needs. In some cases, opponents of growth have abused the regulatory process to further their own agendas. As current regulations are enforced and new regulations proposed, I would like to see some cost/benefit analysis performed to assure that the burden of the regulation does not exceed the benefit hoped to be derived.

In particular, I am concerned that some of the regulations relating to air quality, water quality, wastewater treatment, wetlands, the disabled, and endangered species impose costs and time delays way beyond benefits provided. Compliance with overly burdensome regulations strains our ability to provide infrastructure necessary to accommodate those choosing to move to our community, and diverts our limited resources from more beneficial uses. As relates to the housing industry, such regulations drive up the cost of housing thereby denying housing opportunities to many families.

I am further concerned if unreasonable regulations adversely affect our ability to attract new industry to southern Nevada. Our economy is fragile because of its level of dependence on one industry. We need to attract new industry to diversify our economy and maintain its vitality. We should not allow concerns about attainment of perhaps unreasonable Federal standards to discourage industry from locating here.

Discussion of Federal regulations also brings up the issue of unfunded mandates. If the Federal Government chooses to impose costly requirements on us, then the Federal Government should also be sure that adequate revenue sources are available to comply with these requirements. To do otherwise will limit the ability of our local governments to provide the other infrastructure and services expected from them.

Since the Federal Government is such a major land owner in Nevada, what it does with its land impacts all of us. I am happy to see that BLM will again be selling parcels of land in developing areas. A significant impact on the cost of providing infrastructure has resulted from the necessity to leap frog over BLM parcels. Allowing some of the proceeds from BLM sales to be returned to the local governments is a fair way to reimburse for the costs of providing the infrastructure that enhanced the values of the BLM parcels. I am also pleased that BLM will be working with local governments on decisions relating to the disposition of such parcels.

The auction of BLM parcels is a much better choice than disposition of land through the exchange process. The history of the exchanges seems to be that the government overpays for the property being acquired and undervalues the property

being disposed of. This is not only a bad deal for the taxpayers, but also unfair to those who must acquire land in the marketplace.

I would be pleased to see more public/private cooperation as it relates to Federal facilities in southern Nevada. For example, our industry specializes in providing housing. To whatever extent we can participate in providing needed military base housing, we cannot only save the government a considerable amount of money, but also can provide better quality housing than is likely to be produced through other government procurement practices.

An area our industry would welcome help from the Federal Government is in regard to tort reform. The housing industry throughout the country has been attacked by trial lawyers promoting litigation as a means of generating unconscionable legal fees. The consequence has been that in many places liability insurance is prohibitively costly or unavailable. Many builders are unwilling to build attached for-sale housing because of a fear of class-action suits. The result is that a sufficient quantity of affordable housing is not being built.

A final area of concern I have is the speed with which we are able to respond to our growth needs. We are growing fast in southern Nevada which means we need to act fast to provide the infrastructure we need to support this growth. We need new roads, highways, water systems, sewer systems and so forth built now.

To whatever extent the Federal Government can assist in providing funding and expedite the process will be beneficial to all of us. Delays are costly both in terms of money and in terms of the quality of life for our residents.

I appreciate the opportunity to testify before you, and would be happy to answer any questions. Thank you.

STATEMENT OF TOM STEPHENS, DIRECTOR, NEVADA DEPARTMENT OF TRANSPORTATION

Growth is the driving issue in the Las Vegas Valley and has been for over 50 years. In the 30 years since 1970, when the current "Spaghetti Bowl" interchange of I–15 and US 95 was built, the population of Las Vegas Valley has grown by over 400 percent. In 1970, Las Vegas was the 115th largest metropolitan area in the country and by next year it will be the 32nd largest after passing New Orleans. San Antonio and Indianapolis are not far ahead.

As we all know, the main force behind the growth has been the expansion of the gaming industry. But it has also been encouraged by the extremely favorable business climate in Nevada, not only for gaming but for all industries. Las Vegas is the capital of capitalism. And the capitalists have been very responsible. Las Vegas is the most attractive and most modern major city in the world. Hundreds of thousands of people walk down its streets everyday just to marvel at its architecture. Las Vegas has some of the most desirable residential areas in the nation, and every year tens of thousands of Americans move here to retire.

Many good things have been done to accommodate all of this growth. Las Vegas developed one of the nation's finest water systems. Most of the large residential areas are part of planned communities, and urban sprawl has been kept amazingly under control considering the unbelievable rate of growth. The foresight of requiring dedication of right-of-way for wide boulevards along section and quarter section lines until this decade has helped Las Vegas avoid the traffic gridlock associated with other cities its size. The publicly owned bus system, which did not even exist at the beginning of the decade, is now the finest of its size in the country. New freeways have been built to the north and east, and a beltway is being constructed around the city with local funds.

Yet all is not rosy. Gridlock is a daily occurrence and commute times have increased dramatically. Air quality is a major issue. People living along the freeways are demanding relief from the constant noise.

I represent a highway perspective. First and foremost, I would like to thank the Congress and especially Nevada's Congressional Delegation for the support they gave to Nevada last year in the Transportation Equity Act for the 21st Century or TEA–21 as we have come to know it by. Nevada is now the recipient of $70 million more per year in Federal highway funds This is a 62 percent increase over the previous Federal highway funding contained in the Intermodal Transportation Equity Act of 1991.

This is a hearing on livable communities. The question today is what can the Federal Government do to help us make Las Vegas a move livable community.

First, help us speed up our efforts to eliminate traffic gridlock by streamlining the environmental review process. This streamlining is called for in TEA–21, but appears to be bogged down. Often times the environmental process seems to be used

as a way to slow down and try to kill a highway project by opponents who have little real concern for the environmental issue involved.

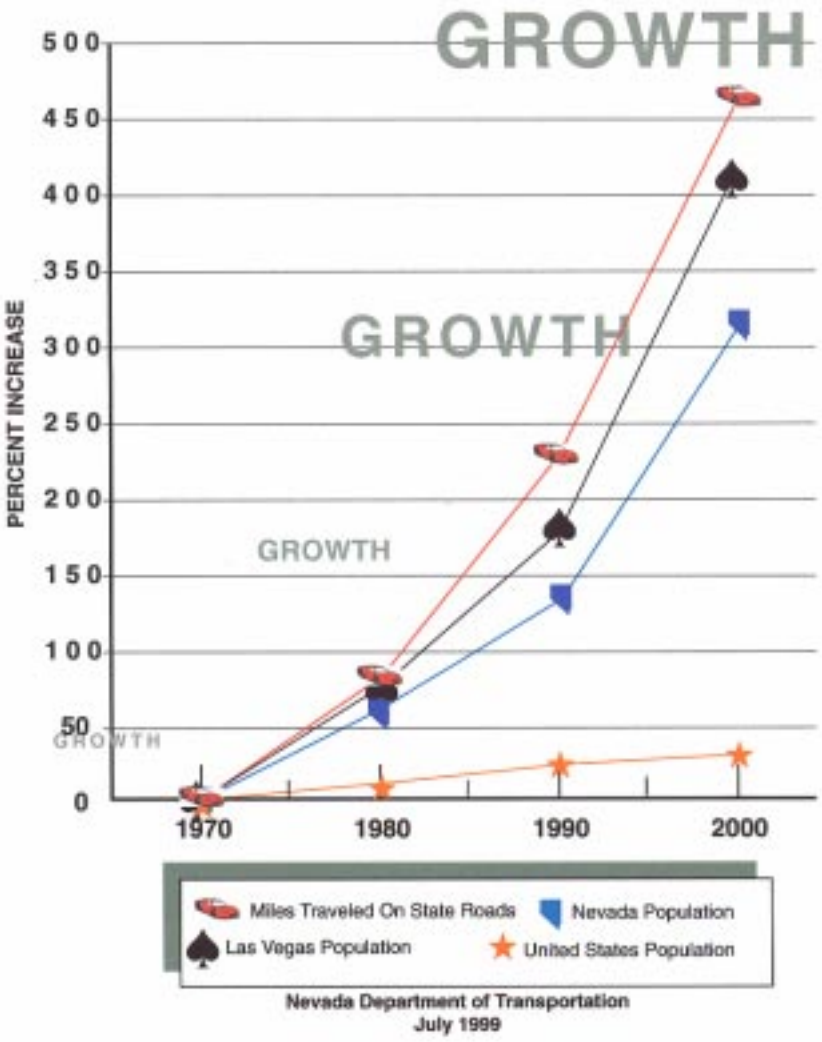
Second, make the air quality requirements more reasonable so that we can concentrate our resources on more important air quality problems. For example, even though there have been great improvements in the carbon monoxide level in Las Vegas in the last 10 years, the basin is still considered to be in nonattainment because we continue to have two or three instances a year when levels exceed the standard instead of just one at only a single site. The carbon monoxide levels for the whole valley are judged on just one location on a couple of days a year. We should be concentrating more efforts on control of dust or PM10, which is a worse pollutant in terms of livability than carbon monoxide at one site.

Third, streamline the Federal project delivery requirements for the popular "enhancement program," which includes such things as sidewalks, bicycle paths, landscaping, and restoration of selected historic buildings, which all improve the livability of the community.

Fourth, remove the prohibition on the use of Federal funds to retrofit noise walls along the freeways. This will greatly improve the livability of those impacted by freeway noise.

Thank you for the opportunity to testify here today. This is an important issue to the Nevada Department of Transportation and to everyone who lives in Nevada.

	1970	1980	1990	2000
Miles Traveled On State Roads	2.2 billion	4.0 billion	7.4 billion	12.6 billion
Nevada Population	489,000	801,000	1,236,000	2,034,000
Las Vegas Population	272,000	462,000	741,000	1,394,000
United States Population	203 million	226 million	249 million	275 million



STATEMENT OF ALLEN BIAGGI, ADMINISTRATOR, NEVADA DIVISION OF ENVIRONMENTAL PROTECTION

Senator Reid, Senator Chafee, my name is Allen Biaggi and I am the Administrator of the Nevada Division of Environmental Protection. I appreciate the interest the Senate Committee on Environment and Public Works has shown on livable communities and growth and the quality of America's urban and rural areas and I would like to thank you for holding this hearing in Las Vegas.

In my testimony this morning, I would like to outline some of the tools the State of Nevada has available to assist local governments and citizens to make our communities better places to live and improve environmental quality for the residents and visitors of the State.

As you are no doubt aware, in Nevada, land use planning and zoning are primarily county and city issues. Our State legislators have wisely recognized that such activities are best done at the local level. Consequently, limited authority over these issues is granted to State government. We do have however, certain resources and programs available to assist local governments in making these difficult decisions. Some of these resources have been in place for some time, some are very new; an outcome in fact of the 1999 session of the Nevada Legislature.

One long standing tool is Section 208 of the Federal Clean Water Act which has been in place for over two decades and contains provisions to address long term community planning as it relates to water quality. In Nevada, a number of jurisdictions have taken responsibility for the development of these plans including Clark County Comprehensive Planning, the Truckee Meadows Regional Planning Agency for Washoe County, the Tahoe Regional Planning Agency for the Lake Tahoe Basin and the Nevada Division of Environmental Protection for the remaining areas of the State.

208 Plans must address anticipated municipal and industrial waste water treatment needs and priorities of the area for a twenty-year period and include alternatives for waste water treatment, land acquisitions for treatment systems, waste water collection, urban storm water runoff control and a program to provide the financial mechanisms for the development of such treatment works.

The 208 planning process is designed as a cooperative effort involving local, State and Federal agencies as well as the public. The process is initiated with the preparation of a draft waste water management plan which is solicited for public comment. Once public comments have been received and integrated into the plan, the agency submits it to the State for certification. We then review the plan and if the required elements are in place and ensure it adequately addresses water quality, the State certifies the plan and submits it to EPA for final approval. This plan then controls the issuance of discharge permits and other water quality activities including the funding of wastewater improvement projects from the State Revolving Loan Fund.

Most importantly however, the 208 plan must identify open space and recreation opportunities that can be expected from improved water quality, including considerations of potential land use associated with treatment works. An excellent example here in the Las Vegas area is the national award winning wetlands area established by the City of Henderson. This unique area combines wastewater treatment while providing habitat and sanctuary for a variety of birds and animals. It is also becoming more and more recognized by the public as an area for experiencing the unique desert wetlands ecosystems which were historically in place in the Las Vegas Wash.

Clark and Washoe County have aggressively pursued the 208 planning process to meet the growth needs of their respective communities. Amendments to these plans have, to date, been well conceived and have limited the water quality impacts of continued growth. Another example; the Las Vegas Bay at Lake Mead were not meeting water quality standards in the 1980's and recreation was limited in that portion of the lake. Through the 208 planning process, local agencies designed and built upgrades to existing waste water treatment plants to improve water quality while at the same time expanding capacity to meet the needs of growth. Today, plant discharges have increased yet the receiving waters and overall water quality has been greatly improved. Because of these improvements, the State is now considering modifying the beneficial uses in the Las Vegas Bay to include swimming.

The 1999 session of the Nevada Legislature brought about a number of changes related to livable communities, planning and urban redevelopment.

Senator Dina Titus introduced, the Legislature passed and Governor Guinn signed into law Senate Bill 363 (commonly called Nevada's Brownfields Bill) which will be administered by the Division of Environmental Protection to remove barriers and encourage the reuse of lands that contain environmental contamination. Through this process, we can help revitalize our urban cores, encourage environmental clean ups and reduce the need for development of virgin, undisturbed lands.

The 1999 Legislative session also passed a series of bills that will change the way we approach regional planning in Nevada especially as it relates to air quality. Through the concept of regional planning coalitions a process has been created to broadly organize and empower an umbrella planning entity that allows cities and counties to jointly work together on resource based issues. Planning efforts of State agencies will be coordinated and circulated through these regional planning coalitions which are geared to seeking innovative planning and development solutions

outside the framework of conventional planning strategies. This is a dramatic step forward especially for air pollution which is obviously transient and doesn't recognize political boundaries.

These are but a few of the examples that we have available to assist in making our communities in Nevada better places to live from a resource perspective. The Nevada Division of Environmental Protection stands ready to assist and help in this effort in any way possible. Again, I want to thank you and the Committee for your interest on this very critical topic.

I would be happy to answer questions you may have.

STATEMENT OF JIM GIBSON, SOUTHERN NEVADA STRATEGIC PLANNING AUTHORITY

Just last week, the U.S. Census Bureau announced that the City of Henderson led the Nation for the eighth straight year in population growth, with a 135 percent increase in population. It is an understatement to say that the City of Henderson is impacted by growth. I'm glad to hear today's speakers discuss issues such as air quality, water quality and transportation. In a recent survey of Henderson residents, these regional issues topped their list of top growth-related concerns. As the Mayor of Henderson, I can tell you that these regional issues are also my top concerns.

This past decade, we rolled up our sleeves and tackled the issues of growth. Cities in our position know that the growth-management battle includes radical views and proposals. For Southern Nevada the battle cry began 3 years ago when State proposals to control, or even stop growth, were pushed to the forefront of public discussion. We heard calls to place a growth restrictive "ring around the valley", to dramatically increase development fees to slow growth, and even to place a moratorium on building permits. Some of these proposals made their way to the State Legislature, where State representatives considered replacing local government authority to manage growth issues with State mandates.

In 1997, the Nevada State Legislature recognized that growth is a local issue, best managed by those governments most closely connected to its challenges and responsibilities. The Legislature, with a clear majority vote, passed SB 383, creating the Southern Nevada Strategic Planning Authority. The 21 member Authority consisted of elected representatives from Southern Nevada City Councils and the Clark County Board of Commissioners along with Southern Nevada business leaders and residents. The Authority members were charged with developing a 20-year Strategic Plan for the Las Vegas Valley. The plan brought together a variety of public and private members with strong individual interests to reach consensus on both a vision for the future of the valley and an action plan to get us there.

The final product, the Strategic Plan, was presented to the 1999 Nevada State Legislature. The Plan identified 12 areas impacted by existing and future growth, and included goals, objectives and strategies to address each of these issues. No Southern Nevada entity had ever undertaken a comprehensive study of this scope from a regional perspective, and the recommendations contained in the final plan represents a historical and significant local initiative in dealing with growth and quality of life issues.

Throughout this process, the authority members agreed that local government handling local problems, with regional collaboration on regional issues, is by far the most effective solution to sustaining livable communities and enhancing the quality of life for our residents. Regional Collaboration on issues of regional importance became an effective tool for addressing issues such as: transportation, environment, economy, and education. Most importantly, we recognized that a cookie-cutter approach to individual community standards, such as parks and recreation and land use planning, is not always appropriate, or beneficial, to our citizens if we lose the authority and responsibility inherent in a municipality to resolve community problems. For example, I mentioned earlier that the City of Henderson residents were satisfied with local community standards, but their priority concerns were for regional in nature. It is clear that the City of Henderson alone could not adequately address our residents' top priorities without regional collaboration.

Lead by local governments, business leaders and citizens, the Authority's regional effort has received national praise. In the 1998 Urban Land Institute's publication, "Smart Growth", the Southern Nevada Strategic Planning Authority is highlighted as a regional approach to smart growth initiatives. Locally, many of the recommendations included in the Strategic Plan have already been adopted. One such initiative is the creation of the Southern Nevada Planning Coalition, composed of elected representatives from local governments, whose charge is to oversee the implementation of the recommendations included in the Strategic Plan.

The City of Henderson continues to work proactively in addressing our growth-related issues. In a recent agreement between the City of Henderson and Clark County, both jurisdictions agreed to jointly plan along jurisdictional boundaries for consistency in transportation, land-use, and future utility siting. This is another first for Southern Nevada, and represents the kind of intergovernmental collaboration necessary to meet the challenges of growth while maintaining and enhancing the quality of life for our residents.

In reflecting on our accomplishments over the last 2 years, we have seen an incredible paradigm shift in how local governments interact to address issues of growth. It became incredibly clear that disjointed or unplanned growth, without regard to whether people enjoy living here in the Las Vegas Valley, does not serve the public interest. The Authority members are proud of our hands-on, consensus-based approach, as this diverse group had to learn how to delve into the tough issues and arrive at decisions together. The challenge we successfully faced was to define what "quality of life" means to the people who live here so that the right strategies could be pursued to protect and improve our lives.

In the final analysis, we've found that our Strategic Planning process got to the heart of what concerns most cities across the Nation while the debate regarding quality of life issues has elevated to the national level. The recent dialog surrounding the Administration's Livability Agenda hits at the very core of issues covered during our 2 year Strategic Planning process. We mirror the Livability Agenda's concerns in addressing the preservation of open and green spaces, clean air and water, safe places for families to work, play and relax; easing traffic congestion; enhancing citizen and private sector involvement in planning; collaboration between neighboring communities; and promotion of economic competitiveness.

Our desired outcomes are the same: how do we protect and enhance our quality of life? Our completed Strategic Plan and its legacy of regional collaboration is evidence that these tough issues can be resolved locally. Perhaps the Authority's Strategic Plan will be useful as a blueprint for local cooperation and solutions to effectively address growth.

STATEMENT OF JAY BARTOS, PRESIDENT, FRIENDS OF RED ROCK CANYON

The Friends of Red Rock Canyon is an organization of volunteers devoted to the protection of the Red Rock Canyon National Conservation Area. Our 200 or so volunteers are there to assist the Bureau of Land Management by leading hikes, presenting nature programs for adults and children, teaching teachers about Red Rock, building and maintaining trails, and a host of other jobs. We all come from a wide variety of backgrounds but we do all have one thing in common—our love for one of Nevada's natural treasures.

The growth of Clark County is mirrored by the changes at Red Rock over the years. For 1,000 or so years the area was used by Native Americans for food and shelter. In the early days of Las Vegas, some of the area was homesteaded. In 1960, as recreational use increased, the State became interested in preserving the land, and by the early 1970's a combination of State and Federal actions had led to protection for some 62,000 acres.

The focus of the area was changed from recreation to conservation in 1990, reflecting the need to better protect the increasingly popular area. Continued population growth led to the expansion of the conservation in 1994 to 195,610 acres while there was still something there to conserve.

There are now well over a million visitors a year and Red Rock Canyon is being affected. Just as the increase in residents and visitors strains our own local infrastructure and our nerves, the ever-increasing use of the roads and trails at Red Rock creates strains there. Perhaps more so, because the fragile desert is easily destroyed by people who wander off the trails in search of ever-elusive solitude. Those resulting unofficial trails multiply rapidly, scarring the land and contributing to a number of environmental problems.

Outdoor recreation should provide rejuvenation, a physical and mental re-creation, if you will. That becomes less likely to happen as more visitors create more conflict. Hikers, bikers, climbers, riders all compete for space and a piece of nature. As the city creeps ever closer, the numbers of people with easy access to the canyon will increase, and, inevitably, each person there views his or her desired use of the areas as the right and proper one.

The effects of increasing numbers of people on desert plants and animals are often not evident until almost too late to reverse. There hasn't really been a lot of research in this area, so often things that happen do catch us by surprise. For instance, the population of ravens has increased in the Mojave Desert as reliable

sources of food—people—increase. The tidbits they provide will allow the birds to stay around and breed more often than they would otherwise. And the young desert tortoises, the tortoises being a threatened species themselves because of habitat destruction, now find themselves under a more direct threat. It takes several years for the tortoise shell to harden enough to resist a raven's beak, and with more and more of the clever, sharp-eyed ravens about, all too many of the young tortoises simply wind up as a quick snack.

Coyotes thrive where people live and are especially happy to see well-watered suburbs in the desert. Rather than decimating their natural prey, however, they prefer to go after something a little slower and a little less clever—our cats and dogs. This creates a people versus animal scenario the coyotes can only lose.

In fact, as we know, plants and animals are impacted by growth throughout the county, not just in the Red Rock area. A proposed conservation plan devised by the county and the U.S. Fish and Wildlife Service is designed to allow continued development in areas containing threatened plant and animal species, beginning with some 79 already on the list. This could be a good first step to ensuring that those species do not go out of existence, but only as long as funding is adequate for proper monitoring. And I might also add that increased funding for the Harry Reid Center for Environmental Studies at UNLV, whether that money comes from the State, from the university itself, or from the Federal Government, would go a long way in pointing out prospective problems that could be cutoff before they become too impossible to solve.

Air pollution, of course, is a county-wide problem edging ever closer to Red Rock. If you climb Turtlehead Peak on a winter's day, chances are you will see Las Vegas enveloped in a yellow and brown cloud. With houses and casinos being built right to the edge of the conservation area now, how long will it be before Turtlehead Peak itself is covered by this same air? We have heard a lot today about various programs and projects underway to make sure this air is clean and kept clean. Well, let's hope that the county, prodded by the Environmental Protection Agency, can keep this from happening. A greater push toward alternative fuels and better mass transit, as we have also heard about today, would be a start along that road.

Any change of direction can only happen if certain things come together. Education perhaps is No. 1. People recognize the problems caused by growth but too often will just throw up their hands in helplessness when faced with solving those problems. They just seem too big. Showing that solutions can come a step at a time encourages action. In dealing with environmental issues, sometimes simply showing how everything is connected can open eyes.

And finally, I think good political leadership is a must. The changing emphasis on regional cooperation, which we have heard today, again is something that has become more and more prevalent over the last couple of years to tackle the many regional issues. Too many local politicians remain local; they talk a lot about managing growth while doing too little about it.

A 1996 University of Nevada poll indicated that 81 percent of southern Nevadans are looking for growth to slow or, at worst, stay the same. We have heard today about any number of initiatives designed to make our growth smarter. Mayor Goodman's inner-city proposal would be one that would greatly benefit both the human inhabitants of Las Vegas and the plant and animal inhabitants of the county. Hopefully, these and others will be successful.

And Senator, one thing, as long as everyone is here asking for money, that you could perhaps initiate is ensuring the funding for the BLM, as they manage Red Rock Canyon, is constant as more and more personnel are needed that are not covered by the fee demonstration program. And also a suggestion that the Rainbow Gardens recreation area over on the other side of town is kept as a project going full force. And not to forget Lake Mead as a national recreation area which is in dire need of personnel and all kinds of things that only Federal funding can bring. So that would be my only plea for money.

I thank you for inviting me here today.

LETTER FROM DINA TITUS, NEVADA STATE SENATOR

Dear Senator Reid:

Thank you for organizing and hosting this much needed conference on the challenges of urban sprawl. I just wish I could be there to participate.

Two sessions ago when I introduced the "ring around the valley" bill, growth was not a topic even discussed at the state legislature, much less criticized. Growth was considered inherently good and any attempt to manage it, especially beyond the local level, was portrayed as threatening to our prosperity. A great deal has happened in the interim and attitudes have changed dramatically. Today, local elections revolve around growth issues; the governor recently signed several "smart growth" bills into law; regional bodies are coordinating the efforts of local jurisdictions; and Al Gore is making sprawl an issue at the national level.

Clearly, this intergovernmental approach is not only appropriate, but essential. We must all work together to promote "sustainable communities" in the new millenium. Again, I applaud you for helping move Nevada in the right direction.

Sincerely,

Dina Titus

Dina Titus
State Senator

STATEMENT OF THE SIERRA CLUB

Las Vegas is like no place else on earth. This is true for many reasons, positive and negative. In recent weeks, reports have shown that Las Vegas stands out as experiencing some of the most phenomenal growth in the country. Some of the consequences of this growth have impacted the quality of life we enjoy—we've seen more traffic gridlock, more air pollution and more threats to our desert environment.

The air we breathe, the water we drink, the open spaces we enjoy and the wildlife we want to protect all contribute to the quality of life in Las Vegas. Let's work together to enhance these things rather than talk about how to undermine them.

Some have suggested that the environment take another hit through relaxation of environmental protections. Although we understand and appreciate the need for flexibility and increased local controls in many areas, we do not believe that enforcement of environmental protections is the place to be flexible. Our goal as a nation should be to help communities pursue development that doesn't come at the expense of our need for clean air, clean water, open spaces, wildlife habitat and public health and safety.

Our message to you is quite simple. Increased local control and innovation is a wonderful thing, but not if it interferes with the full enforcement of environmental protections.

Urban Sprawl

Las Vegas is the fastest growing city in the U.S. We gain a new resident every 9 minutes and our land use size grew 238 percent between 1990 and 1996. The citizens of Las Vegas are concerned about the explosive growth that we have experienced and its consequences to the quality of our environment and our daily lives.

In Las Vegas, the Sierra Club is working to educate the public about steps they can take to combat sprawl. We are working to bring together the various stakeholders to develop a picture of what we can specifically do to respond to the clear public demand to curb sprawl, protect wild places and promote smart growth, instead of growth at all costs. The Sierra Club supports "Smart Growth" solutions that can save taxpayer dollars, prevent pollution, and protect wild places. Now more than ever we need creative, long-term solutions to the consequences of urban sprawl.

Clean Air and Transportation

The larger a community gets, the farther people are likely to have to travel to work. The most common way to travel in Las Vegas is by car. The sheer number of cars on the road in Las Vegas causes traffic congestion and in turn, increased air pollution. Currently the answer has been "build more roads". This is a trend that we do not support.

Las Vegas is a city that boasts about being a city of the future, but our attitude toward transportation is rooted firmly in the automobile dependent past. It is time for Las Vegas to truly become a city of the future. It is absolutely critical for government to promote environmentally friendly transportation alternatives instead of relying on new highway construction to relieve traffic congestion. For instance, we are supporting the "no-build" alternative in the Draft Environmental Impact Statement on the widening of U.S. Highway 95. In addition, we do not support any of the three proposed bridges near Hoover Dam as a valid alternative Colorado River crossing. We need to solve the transportation problems—not proliferate them with more roads and more cars.

Las Vegas is currently out of compliance with national air quality standards for particulate matter (PM10) and carbon monoxide. On "bad air" days, warning are issued over television and radio telling is it is not safe for our children to go outside for gym class! It is our belief that without the threat of the Environmental Protection Agency watching over their shoulder, little would be done to improve the air quality in Las Vegas. The protection of clean air is not just a visibility or appearance issue, it is a serious health concern and there is a lot of work to do before we can call the air in Las Vegas clean and healthy.

Clean Water

The Clean Water Act should be aggressively enforced by all agencies with water management responsibilities and should not be weakened. Point-source pollution should be eliminated, best management practices for air and water-borne pollutants should be developed, and adequate funding should be provided to implement control of non-point sources.

The news has been full of stories about how the Sunrise Landfill near the Las Vegas Wash has been leaking pollutants into the air and water. Less than a year ago, severe storms and flooding left a 4.5 mile trail of garbage from the landfill through the Las Vegas Wash. The Wash flows directly into Lake Mead, upstream from the intake valve for the Las Vegas water system.

The Las Vegas Wash itself is a major concern for Las Vegans. In 1972, the Wash supported about 2,000 acres of wetlands. Development has encroached on the Wash to the point that there are only a few hundred acres left. Those acres are still in danger from developers who take advantage of the "growth at all costs" mentality. The Wash is also in danger from polluted run-off. There is more run-off than ever and fewer acres of Wash to dilute and clean the ground water before it enters Lake Mead and the Colorado River. We have lost vast stretches of marshlands and the plants and animals who lived there.

Land Use

Nevada has one of the highest percentages of public lands in the country, yet Las Vegas is far below the national average when it comes to parks, open spaces, trails, and green and brown spaces. It is more important than ever that we make the creation and protection of open spaces a priority. Some parts of the valley are doing a better job than others because it has been given priority in their planning efforts. We must remember that public lands need to be managed to benefit the public, not a handful of developers.

What Can Government Do?

In some things, government should do less:

- stop building highways that encourage urban sprawl;
- stop subsidizing wetlands destruction;
- stop giving grants and tax incentives that encourage developers to fragment wild areas and habitat;

- stop the practice of rubber stamping wetlands destruction when developers want to build in these precious areas.

But there are some things the government should do more of:

- recognize that the public says that the environment is a major concern to them and their families;
- States should require real comprehensive, regional planning;
- the Federal Government should put real funding into transportation choices and support taxpayer incentives for public transit use;
- support conservation easements that allow landowners to donate the development rights for their land to conservation organizations, and receive income, property, and estate tax relief;
- fully fund the Land and Water Conservation Fund;
- make it easier to get a wetlands classified as a protected wetlands;
- provide sufficient funding for wildlife conservation and protection as well as programs for urban parks and recreation, historic preservation, and farm and rangeland conservation;

Some communities are way ahead of the Federal Government in dealing with urban sprawl. Las Vegas is not one of them. Elected and appointed officials should encourage communities to come up with local, innovative solutions to the problems of urban sprawl, but not at the expense of full enforcement of environmental protections that guard our families health, the air we breathe, the water we drink and the quality of life so important to all of us.

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