

TESTIMONY OF DAVID M. VERHEY, ACTING ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS, DEPARTMENT OF THE INTERIOR, BEFORE THE HOUSE SUBCOMMITTEE ON FISHERIES AND OCEANS, HOUSE COMMITTEE ON RESOURCES, REGARDING H.R. 4315, REAUTHORIZATION OF THE WETLANDS LOAN ACT AND AMENDING THE MIGRATORY BIRD HUNTING AND CONSERVATION STAMP ACT.

September 21, 2006

Mr. Chairman and Members of the Subcommittee, I am David Verhey, Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior. I am pleased to be here today to testify on behalf of the Administration in support of H.R. 4315, which would reauthorize the Wetlands Loan Act and amend the Migratory Bird Hunting and Conservation Stamp Act, commonly referred to as the "Duck Stamp Act".

The Administration supports H.R. 4315 and the ongoing efforts of Congress to conserve, restore, and protect wetlands and the wildlife dependent on them. We also commend Representative Kennedy for introducing this important legislation and for a continuing interest in conserving wetlands and associated habitats. The tremendous success of the Wetlands Loan Act over the past 45 years has resulted in the protection and restoration of habitat for migratory birds, endangered species, and other wildlife.

Record of Success in Wetland Restoration

Last March, the Department released a U.S. Fish and Wildlife Service (Service) report that showed a net gain in America's nonagricultural and agricultural wetlands for the first time since the Service began compiling data in 1954.

The report showed that approximately 191,800 acres of wetlands were gained between 1998 and 2004, bringing the nation's total wetlands acreage to 107.7 million acres, or 5 percent of the land area of the lower 48 states. The net gain was achieved because increases in shallow-pond-type wetlands offset the continued, but smaller, losses in swamp and marshland type wetlands. The report showed a loss of 523,500 acres of swamp and marsh wetlands and a gain of 715,300 acres of shallow-water wetlands. [NOTE: CEQ insert]

As the most recent in a series of reports published by Interior's Fish and Wildlife Service to track wetlands, Status and Trends of Wetlands in the Conterminous United States covers 1998 through 2004. Past data show that from the mid-1950s to the mid-1970s, the United States was losing almost 500,000 acres of wetlands per year. This rate of loss was substantially reduced to about 59,000 acres annually by 1997 and then eliminated by the first net gain in acreage by 2004 in the new report.

Despite these successes, the need for conservation of wetlands remains. As noted in the North American Waterfowl Management Plan's recent update entitled, *2004 Strategic Guidance: Strengthening the Biological Foundation*, "Today's waterfowl conservation efforts are affected by human population growth; increasing demands for energy, water, food, and fiber; urban expansion; invasive species; and global climate change. ...Because waterfowl conservation efforts provide society with a broad array of ecological services (clean air and water, food and fiber, carbon storage, wildlife, tourism, etc.) there are mutually beneficial results between waterfowl conservation and meeting human needs...Circumstances have changed, but waterfowl today face an array of pressures that are just as imposing as those faced in 1986, at the inception of the Plan."

This continuing conservation need is recognized by the President's commitment to move beyond "no net loss" of wetlands and to attain an overall increase in the amount and quality of wetlands in America. Since Earth Day 2004 when President Bush described his goal for restoring, improving, and protecting 3 million additional wetland acres by 2009, 1,797,000 acres have been restored, protected, or improved.

As the Department of the Interior testified in June, the maintenance of healthy populations of migratory birds in North America is dependent on the conservation, management, and at times restoration, of wetland ecosystems and associated habitats. Conversely, wetlands destruction, loss of nesting cover, and degradation of migration and wintering habitat contributed significantly to previous long-term downward trends in populations of migratory bird species.

The North American Wetlands Conservation Act (NAWCA) plays an integral role in the President's commitment to move beyond "no net loss" of wetlands and attain an overall increase in the amount and quality of wetlands in America. The combined efforts of NAWCA and other wetland programs is anticipated to further the President's 2009 wetlands goal during fiscal year 2007 by creating or restoring approximately 299,000 acres, improving approximately 762,000 acres, and protecting approximately 459,000 acres.

Wetlands Loan Act

Beginning in 1961, primarily in response to a rapidly declining loss of wetlands, the Wetlands Loan Act (Public Law 87-383) authorized an advance of funds against future revenues from the sale of Duck Stamps as a means of accelerating the acquisition and conservation of wildlife habitat. Appropriations were authorized not to exceed the amount of \$105 million for a seven year period. Funds appropriated under the Wetlands Loan Act were merged with Duck Stamp receipts in the Migratory Bird Conservation Fund. Appropriations made under authority of the Wetlands Loan Act were to be repaid using Duck Stamp receipts beginning in 1969, at a rate of 75 percent of Duck Stamp revenues.

Congress extended the loan five times over the next three decades. This included increasing the loan ceiling to a total of \$200 million and revising the law so the loan was forgiven and did not need to be repaid in recognition of the continuing loss of wetlands and to assure the purchasers of duck stamps that their contributions would continue to be used for the conservation of migratory bird habitat. At the end of fiscal year (FY) 1988, approximately \$197,439,000 had been appropriated under this authority.

A major accomplishment of the Wetland Loan Act was the creation of or addition to 26,000 Waterfowl Production Areas (WPAs), which serve to conserve wetlands and grasslands critical to waterfowl and other migratory birds. Over 3 million acres of wetlands and associated habitat have been conserved as WPAs. Nearly 95 percent of WPAs are located in the Prairie Pothole region of North and South Dakota, Minnesota, and Montana. North Dakota alone has 39 percent of the Nation's WPAs. Other key states containing WPAs are Michigan, Nebraska, Wisconsin, and Iowa. Idaho and Maine each have one WPA.

Studies have shown that habitat conservation, restoration, and enhancement projects like those funded by NAWCA and the Wetlands Loan Act have improved the nesting success and survival of a variety of waterfowl and other migratory birds. (See, e.g., Greenwood, R. J., A. B. Sargeant, D. H. Johnson, L. M. Cowardin and T. L. Shaffer, 1995, "Factors associated with duck nest success in the Prairie Pothole Region of Canada." *Wildlife Monographs* 128; Reynolds, R. E., T. L. Shaffer, R. W. Renner, W. E. Newton, and B. J. D. Batt, 2001, "Impacts of the Conservation Reserve Program on duck recruitment in the U.S. Prairie Pothole Region." *Journal of Wildlife Management*. 65:765-780.)

Although WPAs and National Wildlife Refuges account for less than 2 percent of the landscape in Prairie Pothole region states, they are responsible for producing nearly 23 percent of the area's waterfowl. As a whole, the entire Prairie Pothole region is responsible for producing approximately 50 to 75 percent of the primary species of ducks on the North American continent; providing habitat for more than 60 percent of the breeding population. Prairie wetlands, or "potholes", are known to be the lifeline for many wildlife species from the Rockies to Wisconsin. If these wetlands were lost, hundreds of species of migratory birds and other wildlife could be imperiled.

For this reason, the Service works extensively with private landowners in the Prairie Pothole region through voluntary partnerships that enhance private lands for waterfowl and other wildlife. This is accomplished through programs such as the Partners for Fish and Wildlife program, as well as matching grant programs including the North American Wetlands Conservation Act (NAWCA).

Continuing Conservation Need

Despite the clear record of success achieved to date, there remains a significant need to continue conserving wetlands for the benefit of wildlife and people. As the Department noted in 1961 when Congress first considered the Wetlands Loan Act, "Such a program is desirable, we believe, due to the fact that various factors – our rapidly increasing human population, continuing urban and industrial expansion, as well as various agricultural and other land drainage programs and activities – are having a very adverse effect upon our migratory waterfowl, i.e., principally ducks and geese... time is running out in the race to preserve our migratory waterfowl. These factors are reducing the natural habitat available to our migratory waterfowl and are creating an urgent need for well-considered countermeasures." (Senate Report 87-705).

Building upon the Nation's record of success in wetlands conservation, as demonstrated and continuing in the Prairie Pothole region, reauthorization of the Wetlands Loan Act will enable important wetlands conservation throughout the entire nation. As referenced in H.R. 4315, the North American Waterfowl Management Plan identifies at least 36 "Areas of Continental Significance" within the United States alone, from California's Central Valley to the Northeast Atlantic Coast, and from the Northern Great Plains to the Gulf Coast Prairie.

Finally, the benefits of wetlands conservation will extend beyond migratory birds or even wildlife. In the Gulf Coast, for example, wetland conservation is needed not only to provide important habitat, but is also critical in providing storm surge protection from hurricanes. Last year, wetlands along the Gulf Coast demonstrated their worth when Hurricanes Katrina and Rita struck. Restored wetlands that included grassland terraces not only survived the storm, but captured much

of the marsh that had been uprooted elsewhere.

Reauthorization of the Wetlands Loan Act

Section 1 of the H.R. 4315 reauthorizes the Wetlands Loan Act for a total amount of \$400,000,000 between fiscal years 2007 through 2016. Appropriations are to be deposited into the Migratory Bird Conservation Fund, with repayment beginning July 1, 2007, from Duck Stamp revenues.

In light of current fiscal constraints, availability of other wetland conservation tools such as NAWCA, and the uncertainty in the amount to be collected from future duck stamp sales, we have concerns with this section. The Administration recommends that the full price of duck stamps be deposited into the Migratory Bird Conservation Fund. The Administration believes that the increase in the price of the Duck Stamp authorized under this legislation should begin to address the loss of marshlands, coastal wetlands, and other wetland areas in need of additional conservation. We offer to work with the Committee to ensure the legislation contains appropriate language in this regard.

Subsection 2(a) and subsection 2(c), as well as all of Section 3 and Section 4 of H.R. 4315, make technical corrections that were recently enacted via Public Law 109-266, the Electronic Duck Stamp Act. Therefore, the Administration recommends these subsections be removed from the legislation.

Subsection 2(b) of H.R. 4315 increases the price of the Duck Stamp to \$25 through 2014, and \$35 thereafter. The Administration supports this price increase, as discussed further below.

Section 5 provides the sense of Congress that funds provided under the Wetlands Loan Act and through the Federal Duck Stamp Program should be used in accordance with the goals and objectives of the North American Waterfowl Management Plan and should be used to supplement, and not replace, current conservation funding. Further, the section provides that H. R. 4315 should be implemented in a manner that helps private landowners achieve their long-term land use objectives in ways that enhance the conservation of wetlands and wildlife habitat.

The Duck Stamp

The Federal Duck Stamp Program is a vital tool for [wetland conservation](#). Ninety-eight cents out of every dollar generated by the sales of Federal Duck Stamps goes directly to purchase or lease wetland habitat for protection in the National Wildlife Refuge System. Understandably, the Federal Duck Stamp Program has been called one of the most successful conservation programs ever initiated and is a highly effective way to conserve America's natural resources.

Since 1934, the [sales of Federal Duck Stamps](#) have generated more than \$670 million, which has been used to help purchase or lease over 5.2 million acres of waterfowl habitat in the United States. In addition to waterfowl, numerous fish, amphibian, reptile, bird, and mammal species dependent on wetland habitats have benefited. An estimated one-third of federally listed threatened and endangered species find food or shelter on refuges established through the use of Federal Duck Stamp dollars.

Besides the increased hunting opportunities provided, many of the country's most popular birding destinations are National Wildlife Refuges established or aided by Federal Duck Stamp dollars. The report, *Banking on Nature 2004: The Economic Benefits to Local Communities of National Wildlife Refuge Visitation*, announced by former Secretary Norton on October 6, 2005, found that the National Wildlife Refuge System generated almost \$1.4 billion in total economic activity during the 2004 fiscal year, creating almost 24,000 private sector jobs and producing about \$454 million in employment income. Additionally, recreational spending on refuges generated nearly \$151 million in tax revenue at the local, county, state and federal level.

Only an Act of Congress may authorize the price charged for the Duck Stamp. In 1934, the original price of the stamp was set at \$1, which was then increased to \$2 by amendment in 1949. The price increased to \$3 in 1958 and to \$5 in 1971. In 1978, Congress again increased the price to \$7.50, on the condition that all sums appropriated are obligated in the same year. The Emergency Wetlands Resources Act of 1986 authorized an incremental increase to \$10 in 1987 and 1988; \$12.50 in 1989 and 1990; and \$15 in each year thereafter. Since 1991, the \$15 price of the Duck Stamp has not increased.

While increasing the price of the Duck Stamp will not completely satisfy all conservation needs, it will provide a long term source of conservation funding that can potentially be leveraged through partnerships. For this reason and others, the Administration supports the price increase for the Duck Stamp and looks forward to continuing to administer this outstanding program that has an impressive history of accomplishment for both the American people and the wildlife it treasures.

Thank you for the opportunity to present testimony on H.R. 4315. I would be happy to answer any questions the Subcommittee may have.