

Committee on Resources

Subcommittee on Fisheries Conservation, Wildlife and Oceans

Witness Statement

Statement

TESTIMONY

OF

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UNITED STATES DEPARTMENT OF STATE

BEFORE THE

SUBCOMMITTEE ON FISHERIES CONSERVATION,

WILDLIFE AND OCEANS

COMMITTEE ON RESOURCES

HOUSE OF REPRESENTATIVES

OCTOBER 28, 1999 Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss with you the 1999 Pacific Salmon Agreement and related issues. My colleague, Mr. Pipkin, has already described most aspects of this Agreement. In my testimony, I will review the provisions of the Agreement to establish two bilateral funds for the restoration and enhancement of Pacific salmon -- the Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund and the Southern Boundary Restoration and Enhancement Fund.

As Mr. Pipkin has already testified, the 1999 Pacific Salmon Agreement consists of a series of amendments to the Annexes to the 1985 Pacific Salmon Treaty, as well as several additional, related understandings. Of these additional understandings, the provisions of the 1999 Agreement concerning the two Funds are the most critical. They set in place a vital mechanism to ensure better conservation and management of the Pacific salmon resource.

The purpose of the Funds is to support improved salmon management, rehabilitation and restoration of habitat, and enhancement of wild stock production. More specifically, the 1999 Pacific Salmon Agreement provides that the Funds shall be used to support the following activities:

- a. development of improved information for resource management, including better stock assessment, data acquisition, and improved scientific understanding of limiting factors affecting salmon production in the freshwater and marine environments;

- b. rehabilitation and restoration of marine and freshwater habitat, and improvement of habitat to enhance productivity and protection of Pacific salmon; and
- c. enhancement of wild stock production through low technology techniques rather than through large facilities with high operating costs.

The Northern Boundary and Transboundary Rivers Restoration and Enhancement Fund ("the Northern Fund") will support such efforts in the area of northern and central British Columbia, southeast Alaska, and the drainage of the Alsek, Taku and Stikine Rivers. The Southern Boundary Restoration and Enhancement Fund ("the Southern Fund") will support similar efforts in the area of southern British Columbia, the States of Washington and Oregon, and the Snake River basin in Idaho.

In the 1999 Pacific Salmon Agreement, the United States undertook to provide a total of \$140 million to capitalize the Funds; \$75 million for the Northern Fund and \$65 million for the Southern Fund. This commitment is expressly contingent on obtaining specific legislative authority from Congress and on the availability of appropriated funds. The Northern and Southern Funds are also open to contributions from other sources.

Recognizing that responsibility for authorizing and appropriating U.S. contributions to the two Funds lies within the discretion of Congress, the Administration undertook in the 1999 Agreement to seek the funding at an early date. The Conference Report on FY 2000 appropriations for Commerce, Justice, State and the Judiciary would authorize and appropriate \$10 million in Fiscal Year 2000, to be divided equally between the two Funds. This would allow the United States to make an initial contribution to the Funds, although a substantially smaller contribution than the Administration sought to make in FY 2000. The Administration continues to seek the authorization and appropriation necessary to make a larger initial contribution. Moreover, under the 1999 Agreement, if the United States does not make additional payments to these Funds by the end of Fiscal Year 2001 or by the end of Fiscal Year 2002, or if the United States does not provide the entire \$140 million by the end of Fiscal Year 2003, all of the obligations under the 1999 Agreement shall be suspended until such funds are made available, unless the Governments of the United States and Canada agree otherwise. In addition, were we to fail to provide full funding, we would both jeopardize salmon conservation activities and undermine political support for this historic agreement.

The Funds shall be held by the Pacific Salmon Commission and invested according to Trust Agreements. The United States and Canada are developing a Trust Agreement for each Fund, which will provide that a private investment manager be hired to invest each Fund's monies in a fiscally responsible manner.

Each Fund will be administered by a Committee, composed of three representatives appointed by the United States and three representatives appointed by Canada. The Conference Report on FY 2000 appropriations for Commerce, Justice, State and the Judiciary would specify that the United States be represented on the Northern Fund Committee by the Pacific Salmon Commissioner and Alternate Commissioner for Alaska, as well as the Alaska Regional Director for the National Marine Fisheries Service. On the Southern Fund Committee, the United States would be represented by one individual recommended to the Secretary of Commerce by the Governors of Washington and Oregon, one individual recommended to the Secretary by the Pacific Northwest Treaty Tribes, and one federal employee. The Administration has no objection to these designations.

The Committees will approve expenditures from the Funds, including administrative costs, not to exceed the annual earnings from the invested principal. Each Committee will develop procedures for review, evaluation, and approval of proposals. No funds may be disbursed after the expiration of the newly agreed fishery regimes in Annex IV of the Pacific Salmon Treaty until new regimes are agreed. If the provisions relating to the Funds are terminated, all monies contributed by the United States, including income earned, revert to the United States.

Thank you for this opportunity to testify. I will be pleased to answer questions which members of the Committee may have.

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