

# **Committee on Resources,**

## **Subcommittee on Fisheries Conservation, Wildlife & Oceans**

[fisheries](#) - - Rep. Wayne Gilchrest, Chairman

U.S. House of Representatives, Washington, D.C. 20515-6232 - - (202) 226-0200

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### **Witness Statement**

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#### **TESTIMONY OF MARSHALL JONES, ACTING DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON FISHERIES, WILDLIFE CONSERVATION AND OCEANS OF THE HOUSE COMMITTEE ON RESOURCES, REGARDING THE ADMINISTRATION'S FISCAL YEAR 2002 BUDGET REQUEST FOR THE FISH AND WILDLIFE SERVICE**

**May 3, 2001**

I appreciate this opportunity to present the President's Fiscal Year 2002 Budget Request for the United States Fish and Wildlife Service.

The Service's FY 2002 budget requests \$1.782 billion, consisting of \$1,091,265,000 in current appropriations and \$690,754,000 in permanent appropriations. The FY 2002 budget for current appropriations is \$167,935,000 less than Congress enacted in FY 2001, but an increase of \$204,747,000 above FY 2000. The 2002 request for the resource management operating account totals \$806,752,000, \$64,000 less than levels enacted for FY 2001. The Land Acquisition account, is funded at \$164,401,000, including \$104,401,000 for land and easement acquisition from willing sellers, \$50,000,000 for a new Landowner Incentive Program, and \$10,000,000 for a new Private Stewardship Grants Program. The Construction account is funded at \$35,849,000 in accordance with the Department's five-year plans for construction and maintenance.

The Service's principal trust responsibilities encompass protecting and conserving migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fisheries. The Service mission is to work with others, to conserve, protect, and enhance fish, wildlife, plants and their habitats for the continuing benefit of the American people. The Service manages 535 National Wildlife Refuges, 78 Ecological Services Field Stations, 70 National Fish Hatcheries, 64 Fisheries Resources Offices, nine Fish Health Centers, seven Fish Technology Centers, 37 Wetland Management/waterfowl production areas, and 50 Coordination Areas, totaling about 94 million acres. We work with diverse partners, including other federal agencies, state and local governments, tribes, international organizations, private entities, and the local citizenry, both on and off Service lands.

The Service's FY 2002 Budget increases resources for state and local conservation initiatives and provides our state, local and tribal partners more flexibility to support the programs that best suit their needs. The Service's mission will be furthered by the President's historic decision to fully fund the Land and Water Conservation Fund (LWCF) at \$900 million. Full LWCF funding and more flexible program choices will enable states, tribes, communities and private landowners to protect great places and conserve and restore open space for recreation and wildlife. For example, states may use their share of the new Department of the Interior \$450 million state LWCF program for grants in line with their habitat restoration and other conservation priorities within their overall allocation.

Two new grant programs under LWCF and administered by the Service can achieve state and local species protection and habitat restoration priorities. A new \$50 million Landowner Incentive Program for states and tribes will help private landowners protect and manage habitat for imperiled species -- while continuing to engage in traditional land use or working land conservation practices. A new \$10 million Private Stewardship Program will fund grants to individuals and groups for conservation projects on private lands.

All of these efforts anticipate the future needs of conservation, as land use decisions grow more complex and increasingly require cooperation with states, tribes, communities, and the private sector. We will assist these partners, who are among America's most ardent conservationists, in their efforts to preserve lands and the wildlife that inhabits them.

In summary, the programs and projects contained in this budget serve people, champion fish and wildlife, and address every major habitat type across the nation. The Service intends to do this, while streamlining work practices and improving program delivery. The Service will continue using cross-cutting cost allocation methodology to fund general operating expenses.

In addition, the budget proposes several targeted initiatives to address high-priority conservation needs in California, the Pacific Northwest, the Florida Everglades, and the Great Lakes.

### **CALFED Bay Delta Restoration**

The Service requests an additional \$1,000,000 to support the multi-agency CALFED Bay-Delta Program that rehabilitates ecosystems and improves water management in California's Sacramento-San Joaquin Bay-Delta estuary. The Service has a major role in addressing compliance with state and federal endangered species acts; managing the Environmental Water Account; and overseeing wetlands, flood plain management, and restoration contracts under the CALFED Program. The Service will participate on collaborative, multi-agency teams to develop water project operations and will take part in many of the approximately 170 different site-specific projects.

### **Trinity River Restoration**

The Service requests an additional \$2,000,000 to implement a comprehensive river restoration program for the Trinity River in northern California and southern Oregon. The program specifies flows in the river, restoration actions, and monitoring/adaptive management necessary to restore the lost fisheries of the Trinity River. The Service will work closely with the Trinity Management Council to select the highest priority habitat restoration projects. The projects will help increase populations of coho, steelhead, and chinook salmon, increase suitable spawning habitat, and establish adequate water quality for essential fish migration.

### **Columbia Basin Salmon Conservation**

The Service requests an additional \$3,500,000 to address salmon conservation in the Columbia River Basin of the Pacific Northwest. Development in the Columbia Basin has contributed to the decline of listed fish (bull trout, Kootenai white sturgeon, and salmon and steelhead populations) and others. The Service, with over a century of involvement in fisheries management in the Columbia Basin and *Endangered Species Act* responsibility for bull trout and Kootenai white sturgeon, will be a key player in this multi-species, basin-wide strategy. We will restore and protect federal and non-federal habitat; modify fish propagation strategies; improve hydropower operations for native aquatic species survival; manage harvests to minimize

take of listed species while meeting treaty trust responsibilities; provide sustainable levels of sport and commercial harvest; and, address Caspian tern depredation on juvenile salmon.

### **Comprehensive Everglades Restoration Plan**

The Service requests an additional \$2,700,000 to support the Comprehensive Everglades Restoration Plan (CERP), the most far-reaching and ambitious ecosystem restoration project ever undertaken in the United States. The 30-year restoration effort is designed to restore the Everglades' hydrological and ecological functions, which have been seriously degraded by 50 years of flood control and drainage projects. We will work with the Corps of Engineers and other interagency partners to ensure ecosystem benefits consistent with long-term CERP project goals. These efforts, a major Service focus in South Florida, will restore habitat for wetland-dependent and other aquatic species, restore native aquatic species, recreational and commercial fisheries, and other aquatic resources.

### **Great Lakes Consent Decree**

The Service requests an additional \$1,200,000 to uphold tribal fishing rights and allocate fishery resources between tribes and state fishers in accordance with the *U.S. v Michigan* 2000 Consent Decree. As a party to the Consent Decree, the United States, through the Service, is required to provide expert technical support on dispute issues related to the Decree; provide biological expertise and technical assistance to tribes and the State of Michigan on the allocation and management of shared fishery resources; maintain and increase the number of lake trout stocked in Lakes Michigan and Huron; and, evaluate the success of lake trout rehabilitation.

Let me now direct my comments about the FY 2002 budget to the specifics of each of the resource management programs the Service administers.

### **The U.S. Fish and Wildlife Service Programs and Benefits**

There is a national consensus that fish and wildlife conservation is integral to our way of life, our national economy, and the outdoor legacy we will leave for future generations. Viable fish and wildlife populations are resources the nation cannot afford to lose. More than ever, the Service is turning to conservation partners for common-sense approaches that benefit both wildlife and people.

### **Resource Management**

**Ecological Services** -- The Service requests a total of \$198,493,000, a net decrease of

\$11,389,000 below the FY 2001 enacted level, but an increase of \$12,111,000 above FY 2000 levels, for Ecological Services programs, including:

**Endangered Species** -- The Service requests a total of \$111,814,000, \$9,133,000 below the FY 2001 enacted level, but \$5,743,000 above FY 2000. The program funding will support operations that enhance implementation of the *Endangered Species Act*, one of the nation's most significant environmental laws.

**Candidate Conservation** \* The request will keep three species from being listed by supporting additional Candidate Conservation Agreements with private landowners and state and local governments to better manage threats to species and their habitats before they become critically imperiled.

**Listing \*** The request includes a \$1,962,000 program increase to address a critical backlog of required listing actions, help meet statutory time frames, complete court-ordered listing and critical habitat actions within imposed deadlines, and adequately inform the public about listing actions. This program determines whether to list wildlife and plant species. If listed, a species is protected under the *ESA*, including prohibitions on taking (e.g. killing or harming) the species.

This request provides a 34% increase above FY 2001, and a 37% increase above FY 2000 funding levels. This increase will help return balance to the listing program, enabling the Service to protect species that are in decline, respond to citizen petitions to list new species and designate critical habitat for species that are already listed.

A flood of court orders requiring the Service to designate critical habitat for hundreds of species threatens to consume the entire listing budget in FY 2002, as it has in 2001. The budget increase will not be enough by itself to restore this balance. In fact, after complying with existing court orders to designate critical habitat, the Service does not have any remaining resources or staff to place new species on the list of threatened and endangered species or to respond to citizen petitions to list new species. In short, because of the lawsuits, we currently do not have an effective listing program.

The prior Administration requested that Congress place a cap on the listing program beginning in 1998, and this Administration is asking Congress to continue the cap. The reason for the cap is to ensure that the Service can maintain an overall endangered species program that not only includes listing new species and designating critical habitat but also undertaking recovery programs, working with states, landowners, and others to conserve species before they require listing, consulting with federal agencies where required by the *Act*, and delisting species when they have recovered. Absent the cap, the Service is concerned that the courts might require us to take funds from not only other endangered species activities, but also possibly other resource management accounts to designate critical habitat. If this were to happen, the imbalance that currently plagues the listing program could spread not only to the entire endangered species program, but also potentially affect other non-endangered species resource management programs within the Service.

The President, therefore, is continuing efforts begun by the last Administration to break this gridlock and get back to the important business of protecting imperiled species. We are asking Congress to concur that funds be spent on listing actions that provide the greatest benefit for species at risk of extinction. This proposal would not change any of the underlying substantive requirements of the *ESA*, but would allow the Service to use its resources to protect the species that are in greatest need of listing. The Service hopes to engage the public and interested groups in the development of a listing priority system, and then to put the resulting priority system out for public review and comment this summer.

We recognize that this proposal has resulted in considerable controversy. While the problem is real and needs to be addressed, we would welcome the opportunity to work with this Committee and other interested Members to craft a solution that meets with wide approval.

**Consultation/HCP \*** The request includes a \$520,000 program increase to support the Comprehensive Everglades Restoration Plan. In addition, we will continue to address the growing demand by landowners, state and local governments, and developers for Habitat Conservation Plans (HCPs). The Service expects to be involved in implementing more than 650 HCPs covering more than 48 million acres in FY 2002, and developing an additional 200 HCPs, covering 26 million acres.

As part of these efforts, the Service will assist in development of a regional HCP with the Edwards Aquifer

Authority in central Texas for individual, municipal and industrial water withdrawals from the Edwards Aquifer. Also FY 2002, final application documents are expected from Pima County, in southern Arizona for the Sonoran Desert Conservation Plan, a multispecies, watershed-based HCP on 5.9 million acres. The Service also anticipates an HCP in FY 2002 with International Paper for the threatened gopher tortoise on more than 275,000 forested acres in Alabama and Mississippi. The Service, during informal and formal interagency consultations, now reviews approximately 62,000 federal actions for section 7 compliance per year.

**Recovery** \* The request includes a \$390,000 program increase to support the Comprehensive Everglades Restoration Plan. In addition, we will continue activities to recover, downlist, and delist species, conduct ESA-mandated, post-delisting monitoring, and involve private landowners in recovery through Safe Harbor agreements. The most recent delisting is that of the Aleutian Canada goose. The Service will intensify efforts for species in need of special attention, such as Columbia River salmon with a requested increase of \$625,000.

**Habitat Conservation** -- The Service requests a total of \$76,209,000 for Habitat Conservation programs, \$2,081,000 below the FY 2001 enacted level, but \$5,760,000 above FY 2000.

**Partners for Fish and Wildlife** \* The request will continue this highly effective program for voluntary habitat restoration on private lands. The 14-year-old Partners program has quietly worked with 24,000 private landowners through voluntary partnerships to implement on-the-ground habitat restoration projects across the country. The program provides cost-sharing and one-on-one restoration expertise to assist private landowners in restoring wetlands, grasslands, streams and other habitats important to migratory birds, anadromous (migratory) fish, and declining species. These habitat restoration projects will enhance habitat for fish and wildlife while recognizing the need to maintain profitable agriculture, sustainable communities, and the nation's overall quality of life.

**Project Planning** \* The request includes a \$1,690,000 program increase to support the Comprehensive Everglades Restoration Plan and a \$1,000,000 program increase to support efforts (consistent with the California Bay-Delta Environmental Enhancement Act) to assess potential fish, wildlife, and habitat restoration impacts of federal, state, local and tribal water management projects. The San Francisco Bay-Delta area has many listed, proposed, and candidate species, including Delta smelt, Sacramento splittail, California clapper rail, salt marsh harvest mouse, and Suisun thistle. The Service will assist federal, state, and local agencies in planning and implementing habitat restoration and species recovery.

**Environmental Contaminants** -- The Service requests a total of \$10,470,000 for the Environmental Contaminants Program, a net decrease of \$175,000 below the FY 2001 enacted level, but \$608,000 above FY 2000 levels.

The request will continue to fund cooperative partnerships with federal, state and private entities to identify, quantify and provide remedies for pollution problems affecting fish, wildlife and habitat resources. In particular, the contaminants program will continue proactive efforts with the Environmental Protection Agency to improve water quality criteria, assess effects of EPA's proposed new and re-registered pesticides, and continue work at Superfund sites; coordinate pre-spill planning, response efforts and development of new response options; and implement integrated pest management to control invasive and nuisance species on Service lands.

**National Wetlands Inventory** -- The Service will continue to strategically produce maps and updated

digital resource information, with emphasis on areas of the nation experiencing substantial developmental growth and change. Contemporary habitat maps in digital format will also assist in the planning for needed energy and infrastructure development projects that avoid potential adverse effects on trust fish and wildlife resources.

**National Wildlife Refuge System: Fulfilling the Promise** -- The Service requests \$314,664,000 for National Wildlife Refuge operations and maintenance, a net increase of \$14,986,000 above the FY 2001 enacted level and \$55,687,000 above FY 2000, which includes a \$10 million program increase to address the Secretary of the Interior's commitment to reducing maintenance backlogs.

In 1903, President Theodore Roosevelt was so impressed upon seeing Pelican Island, a tiny Florida island crowded with birds, he immediately established it as the first federal wildlife refuge. Pelican Island still thrives as a living legacy and symbol of the Refuge System's upcoming Centennial. The budget requests funds to begin constructing an Interpretive Center and Administrative facility to share Pelican Island's legacy.

These are historic times for the National Wildlife Refuge System. As we approach the centennial anniversary, we are proud of the progress we have made together strengthening the Refuge System. Several important events during the last few years have given us the opportunity to make the Refuge System an even more powerful conservation tool and to provide even greater opportunities for people to enjoy the Refuge System. These events set the stage for us to address our most pressing operational and maintenance needs, and to develop comprehensive conservation plans for each refuge in the System. Refuge operations and maintenance focus areas include:

**Wildlife** \* The Refuge System will implement projects that support its core mission to protect wildlife. The projects will improve science-based management, expand management capabilities on newly acquired refuge lands, and enhance the protection and management of endangered species throughout the refuge system.

**Habitat** \* The Refuge System will employ a full range of land management activities, from protection of pristine areas to intensive manipulation of soils, water, topography, and vegetative cover, and fighting invasive species. These invaders threaten critical wildlife habitat and native species on refuges and adjacent lands. Invasive species spread nationally over 5,400 additional acres each year, and now affect more than six million refuge acres, indicative of invasive species threats in many communities.

**People** \* The Refuge System will accommodate more than 37 million visitors in 2002, a number expected to grow by another six million by the Centennial in 2003. The Service will improve public use, environmental education, recreational, and interpretive programs on refuges to better serve these visitors. Other high priorities include the recreational fee demonstration program, refuge law enforcement, support for the Alaska subsistence program, Challenge Cost Share grants, the *Native American Graves Protection and Repatriation Act*, and volunteer activities.

**Refuge Maintenance** \* The request includes a \$10,042,000 program increase to address the most critical annual and deferred maintenance projects. In FY 2002, we will implement a three-step approach to reducing the deferred maintenance inventory by increasing funding to hire essential maintenance workers, performing additional annual preventive maintenance, and performing additional deferred maintenance, including a \$1.8 million increase for condition assessments and improving maintenance management systems.

**Migratory Bird Management** -- The Service requests \$25,159,000 for migratory bird management, a net decrease of \$525,000 below the FY 2001 enacted level, but \$3,560,000 above FY 2000.

**Conservation and Monitoring** \* The request includes a \$250,000 program increase to address Caspian tern depredation in support of the Columbia Basin Salmon initiative. In addition, we will implement management projects in priority habitats and throughout annual migratory cycles. Migratory birds travel thousands of miles across and between the Americas. They are among the best indicators of landscape health. They provide recreational opportunities for millions of people, and a major boost to the economy. The Migratory Bird Management program provides reliable status and distribution information that forms the scientific basis for effective conservation decisions and sound hunting regulations.

**Partnerships in Action: The North American Waterfowl Management Plan** \* The Service is improving coordination of the Joint Venture program, which expanded by nine newly funded Joint Ventures for a total of 15 in FY 2001. This successful program protects and restores essential habitat for diverse migratory bird species across all of North America, both on, and, to a greater extent, off Service lands. As of December 2000, Plan partners have contributed approximately \$1.5 billion to protect, restore, or enhance 5.9 million acres of U.S. wetlands, grasslands, forests, and riparian habitat, more than one-third of the 17 million acres of U.S. habitat objectives under the Plan.

The Service and more than a thousand communities, governments, nonprofit organizations, ordinary citizens, federal agencies in 49 states, and academia have participated in this program to date.

**Law Enforcement** -- The Service will implement many important initiatives in our newly strengthened law enforcement program, including hiring and equipping up to 20 new agents, to fill vacancies, continuing to train the 35 agents hired in FY 2001, establishing a designated port in Anchorage, Alaska, and addressing the growing docket of wildlife crimes. Today's law enforcement program is at a critical crossroads-facing increasingly complex and potentially devastating illegal trade, unlawful commercial exploitation, habitat destruction, and environmental contaminants. Priorities will include ensuring successful species reintroduction and Habitat Conservation Plans, working with industry to reduce contaminants and other industrial hazards, and controlling illegal wildlife trade.

**Fisheries** -- The Service requests \$92,979,000, \$950,000 above the FY 2001 enacted level and \$9,039,000 above FY 2000, to continue supporting activities that restore the nation's waterways, native aquatic species, and habitats. Our waterways are an economic lifeline, provide recreation, and have a significant impact on the quality of life in our communities.

**National Fish Hatchery System** \* The request includes a \$1,000,000 program increase to support the Columbia River Salmon Initiative and \$575,000 to implement lake trout restoration activities for the *U.S. v Michigan* Consent Decree. Federal hatcheries are a powerful tool for conserving biological diversity, restoring imperiled aquatic species, and recovering listed aquatic species. Nearly two-thirds (56) of all approved recovery plans for fish and more than one-third of all fishery restoration plans prescribe hatchery propagation, refugia, or technology development as essential components of species recovery. The hatchery system is currently assessing how it will re-direct its activities, with an emphasis on retaining the wild characteristics and genetic diversity of fish produced for reintroduction to their native environments. Fish production and refugia strategies complement actions to restore habitats and waterways.

**Fish and Wildlife Management** \* The request includes a \$1,625,000 program increase to support the Columbia Basin Salmon Initiative, a \$625,000 program increase for tribal trust responsibilities under the

*U.S. v Michigan* Consent Decree, a \$100,000 program increase to support the Comprehensive Everglades Restoration Initiative, and a \$2,000,000 program increase to implement the Record of Decision resulting from the Trinity River Flow Evaluation to restore steelhead, chinook salmon and coho salmon to pre-dam levels.

Fish and Wildlife Management Assistance assists state, federal, tribal, and private partners in restoring watersheds, recovering endangered species and managing inter-jurisdictional fisheries and marine mammals by administering cooperative programs such as the Cooperative Tagging Program for striped bass, the Mark-Recapture Programs for Pacific salmon, the Mississippi River Basin Paddlefish Research Project, and the Connecticut River Atlantic Salmon Commission Tagging Program. The program facilitates effective decision-making and large-scale restoration, conservation and management of aquatic resources by bringing diverse interest groups together; sharing population and habitat information; and coordinating research, planning, and management activities. These cooperative activities ensure environmental, economic, and aesthetic benefits of restored or improved river habitats, increased fish and other aquatic populations, and sustained recreational and commercial fishing.

**General Operations** -- The Service requests \$124,053,000 a net decrease of \$4,913,000 below the FY 2001 enacted level but an increase of \$809,000 above FY 2000, for Central Office Administration, Regional Office Administration, Service-wide Administrative Support, National Fish and Wildlife Foundation, National Conservation Training Center, and International Affairs programs.

### **Cost Allocation Methodology**

**Allocation of General Operations Expenses** \* The Service has implemented a cost allocation methodology (CAM) to fund general operations expenses. General operations include both administrative and facility support programs that are essential to all Service programs. CAM distributes these costs among all Service appropriations and funding accounts based on actual use of specific business operations to benefitting activities. As a result, each appropriation and account funds an equitable share of general operations costs. CAM was implemented in response to internal and external (Congress, the General Accounting Office) reviews of Service funding practices. The CAM is displayed on all funding tables as a non-add item indicating that the operating expenses are integral to program operation.

### **Streamlining**

As part of the overall Department initiative, we will implement \$3,518,000 in administrative cost savings, travel reductions, across-the-board initiatives, and headquarters and regional consolidation of functions.

**Construction** - The Service requests \$35,849,000 for Construction, a net reduction of \$27,028,000 below the FY 2001 enacted level and \$17,679,000 below FY 2000, for our most urgent construction needs.

**Construction Projects** \* The request includes \$ 27,357,000 for 18 dam safety, road and bridge safety, and other priority projects at national wildlife refuges, fish hatcheries, and law enforcement facilities, including dam and bridge safety inspections. The rehabilitation and replacement projects will address the most critical health, safety, and resource protection needs in the Service's Five-Year Construction Plan.

**Nationwide Engineering Services** \* The remaining \$8,492,000 supports the Nationwide Engineering, seismic safety, and environmental compliance programs.



**Land Acquisition** -- The Land Acquisition Account has been significantly restructured to reflect the President's commitment to fully funding the Land and Water Conservation Fund (LWCF) and enhance partnerships with states, communities, tribes, and private landowners. The Service requests \$104,401,000 for high-priority acquisition of land and conservation easements from willing sellers. This request would acquire approximately 53,855 fee interest acres and 23,053 permanent easement interest acres. Major focus areas for FY 2002 include Pelican Island, Balcones Canyonlands, Canaan Valley, Chickasaw and Columbia. A full list of requested projects is included in the Land Acquisition section of the budget.

The request includes \$19,291,000 for acquisition management, land exchanges, inholding acquisitions, and emergency acquisitions, an increase of \$7,218,000 above the FY 2001 enacted level. The increase reflects an internal transfer of \$4,526,000 from projects to land acquisition management to more accurately reflect personnel costs that were charged to projects in FY 2001. This is an interim step, and the Service is working with the Department to estimate non-project costs and develop standards and the types of costs that should be charged to projects.

**Landowner Incentive Program** \* The budget proposes a \$50,000,000 Landowner Incentive Program for states to help private landowners protect imperiled species while engaging in traditional land use or working land conservation practices.

**Private Stewardship Grants** \* The budget proposes a \$10,000,000 Private Stewardship Grant Program to provide federal funding for private conservation initiatives.

**Cooperative Endangered Species Conservation Fund** -- The Service requests \$54,694,000 for the Cooperative Endangered Species Conservation Fund, \$50,000,000 below the FY 2001 enacted level but \$31,694,000 above the FY 2000 level. The proposed funding level would provide \$21,000,000 to support Habitat Conservation Plan Land Acquisition; \$17,759,000 for Recovery Land Acquisition grants to help implement approved species recovery plans; and \$6,650,000 for HCP planning assistance to states. The Service will use \$7,520,000 to provide conservation grants for habitat restoration, studies, surveys, and other state activities supporting endangered species conservation.

The budget provides additional funding opportunities to protect species and habitat by fully funding the Land and Water Conservation Fund at \$900 million and giving states the flexibility to use these funds to meet the purposes of the Cooperative Endangered Species Conservation Fund.

### **North American Wetlands Conservation Fund**

The Service requests \$14,912,000 for the North American Wetlands Conservation Fund, \$25,000,000 below the FY 2001, but about the same as the FY 2000 enacted level. These funds are being redirected toward new state conservation initiatives in the budget. This Fund protects and restores wetland ecosystems that serve as habitat and resting areas for migratory game and non-game birds. The Fund supports non-regulatory private-public investments in the U.S., Canada, and Mexico. To date, nearly 1,500 partners have worked together on nearly 900 projects in 48 states, the U.S. Virgin Islands, ten Canadian provinces, and 21 Mexican states to protect, restore and/or enhance almost seven million acres of wetlands and associated uplands in the U.S. and Canada and vital habitat on millions of acres within Mexico's large biosphere reserves. This request is expected to generate approximately \$49,000,000 in total partner funds and resources and protect and enhance 409,000 acres of wetland and upland habitat.

The budget provides additional funding opportunities to protect species, habitat and wetlands by fully

funding the Land and Water Conservation Fund at \$900 million and giving states the flexibility to use these funds to meet the purposes of the North American Wetlands Conservation Fund. Likewise, the existing Partners for Fish and Wildlife program and two new grant programs, the \$50 million Landowner Incentive Program and the \$10 million Private Stewardship Program, may also fulfill these purposes by protecting imperiled species and their habitats.

### **Multinational Species Conservation Fund**

The Service requests \$3,243,000 for the Multinational Species Conservation Fund, the same as the FY 2001 enacted level, to provide technical and cost-sharing grant assistance to African and Asian nations for conserving elephants, rhinoceros, tigers, great apes, and their habitats. African elephants, Asian elephants, rhinoceros, tigers and great apes are endangered species protected from take and trade by CITES and U.S. laws. This Fund provides successful, on-the-ground support to range countries involved in elephant, rhinoceros, tiger and great ape conservation; and, generates local matching resources from these countries.

### **National Wildlife Refuge Fund**

The Service requests \$11,414,000, the same as the FY 2001 enacted level, for payments to counties in which Service lands are located. This amount will be augmented by an additional \$197,000 in expected receipts from the sale of products, other privileges, and leases for public accommodations or facilities on the refuges. The FY 2002 estimate for payments to counties is \$15,682,000.

The Service's estimates indicate that refuge visitors contribute more than \$400,000,000 to local economies each year. These benefits will continue to grow with projected increases in visitation.

### **Wildlife Conservation and Appreciation Fund**

The Service proposes to discontinue this account in FY 2002 and redirect these funds toward other state and local conservation initiatives. The President's Budget provides additional funding opportunities to protect species and habitat by fully funding the Land and Water Conservation Fund at \$900 million and giving states the flexibility to use these funds to meet the purposes of the Wildlife Conservation and Appreciation Fund. Likewise, the Partners for Fish and Wildlife program and two new grant programs, the \$50 million Landowner Incentive Program and the \$10 million Private Stewardship Program, may also fulfill these purposes by protecting imperiled species and their habitats.

### **State Wildlife Grants Fund**

The Service proposes to discontinue both the formula and competitive State Grant programs in FY 2002 and redirect these funds toward other state and local conservation initiatives. The President's Budget provides additional funding opportunities to protect species and habitat by fully funding the Land and Water Conservation Fund at \$900 million and giving states the flexibility to use these funds to meet the purposes of the State Wildlife Grants Fund. Likewise, the existing Partners for Fish and Wildlife program and two new grant programs, the \$50 million Landowner Incentive Program and the \$10 million Private Stewardship Program, may also fulfill these purposes by protecting imperiled species and their habitats.

**Permanent Appropriations** -- In FY 2002, receipts into the Service's permanent appropriations are projected to total \$690,754,000, a combined \$54,983,000 increase to FY 2001 deposits, to the following accounts: National Wildlife Refuge Fund, North American Wetlands Conservation Fund, Cooperative

Endangered Species Conservation Fund, Recreational Fee Demonstration Program, Migratory Bird Conservation Account, Sport Fish Restoration Account, Federal Aid in Wildlife Restoration Account, Miscellaneous Permanent Appropriations, and Contributed Funds.

The major changes are:

**Sport Fish Restoration Account** \* An additional \$50,355,000 in receipts will become available to the U.S. Fish and Wildlife Service due to anticipated increases in tax revenues and interest on invested tax collections. Tax receipts and interest earned are available for obligation in the year following their deposit into the Aquatic Resources Trust Fund.

**Federal Aid in Wildlife Restoration Account** \* Tax receipts available in FY 2002 for Wildlife Restoration projects are expected to slightly increase by \$66,000 above FY 2001 levels, and due to increased interest rates, interest earned is estimated to increase by \$2,000,000. Tax receipts become available for obligation in the year following their deposit to the U.S. Treasury, although interest earned in the current year is available during the year in which it is earned.

This concludes my statement. I would be pleased to respond to any questions you may have.

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