

Committee on Resources

Subcommittee on Fisheries Conservation, Wildlife and Oceans

Background

March 9, 2000

MEMORANDUM

TO: Members, Subcommittee on Fisheries Conservation, Wildlife and Oceans

FROM: Subcommittee Majority Staff

SUBJECT: Oversight Hearing on the Fiscal Year (FY) 2001 Budget Request for the U.S. Fish and Wildlife Service

At 10:00 a.m. on Thursday, March 23, 2000, in Room 1334 Longworth House Office Building, the Subcommittee on Fisheries Conservation, Wildlife and Oceans will hold a hearing on the Administration's FY'01 budget request for the U.S. Fish and Wildlife Service. Testifying will be Ms. Jamie Clark, Director of the U.S. Fish and Wildlife Service, Department of the Interior.

U.S. FISH AND WILDLIFE SERVICE

The U.S. Fish and Wildlife Service (USFWS) has principal responsibility and authority for migratory birds, threatened and endangered species, fish and wildlife and their habitats, and certain marine mammals. The USFWS currently manages over 93 million acres encompassing a system of 521 National Wildlife Refuges, 38 wetland management and waterfowl production areas, 50 coordination areas, and 66 National Fish Hatcheries located throughout the United States.

For FY'01, the Administration has requested that \$1.12 billion be allocated for USFWS programs, subject to annual appropriations. This is a \$250.2 million increase above the FY'00 appropriated level, which was \$876.3 million. Among the highlights of this year's budget request for the USFWS are: \$281.9 million for Refuge Operation and Maintenance; \$115.3 million for the Endangered Species Account; \$111.6 million for Land Acquisition; \$65 million for the Cooperative Endangered Species Fund; \$44.2 million for Construction; \$37.2 million for Everglades Watershed Restoration; \$30 million for the North American Wetlands Conservation Fund; and \$16.8 million for the Pacific Northwest Initiatives. Furthermore, the Administration has requested \$100 million for a new State Non-game Wildlife Grant Program.

The USFWS has also indicated that it will request that \$623.9 million be allocated from its permanently appropriated accounts, such as the Sport Fish Restoration Account, Federal Aid in Wildlife Restoration, and Migratory Bird Conservation Account. This represents \$5.1 million less than what was collected in FY'00.

The total budget request for the USFWS for FY'01 is \$1.75 billion. At the end of FY'99, the Service's total employment was 8,653 positions.

Fish and Wildlife Service: Accounts

(A) **RESOURCE MANAGEMENT:** The Administration has requested \$761 million for this account, which comprises the vast majority of the Service's budget. This is an increase of \$47.3 million from FY'00. It includes:

*Ecological Services: Consists of the Endangered Species Program, the Habitat Conservation Program, and the Environmental Contaminants Program. The proposed FY'01 budget request for Ecological Services is \$199.1 million, a

\$9.4 million increase above the FY'00 appropriation. This figure includes a \$7 million increase for the Endangered Species Account, a \$2.1 million increase for Habitat Conservation, and a small addition for environmental contaminants.

In terms of the Endangered Species Act, the Service has asked that \$8.4 million be allocated for "candidate conservation" which the Service needs to develop 42 candidate agreements. As of December 31, 1999, 264 plant and animal species were candidates for listing and an additional 53 were proposed for listing.

The Service has asked for \$7.1 million for the listing of threatened or endangered species, \$39.4 million for consultation, \$55.2 million for recovery efforts for more than 1,205 species that are currently listed, and \$4.9 million for the landowner incentive program. The USFWS has indicated that it expects 100 Safe Harbor Agreements to be in some stage of development in FY'01. These agreements encourage landowners to improve endangered species habitat on their land.

By contrast, the FY'00 Interior Appropriations Act appropriated \$7.3 million for candidate conservation, \$6.2 million for listing, \$32.3 million for consultation, and \$57.3 million for recovery efforts. In short, the Administration is asking for only a \$7 million increase for the Endangered Species Account, primarily to engage in various consultations required under the Act.

*Refuges and Wildlife: Includes the operation and maintenance of the 521 units of the National Wildlife Refuge System, the enforcement of Federal wildlife laws, and migratory bird management. The proposed FY'01 budget request for this account is \$356.7 million, which is an increase of \$33.5 million above the FY'00 appropriated level. The Service is requesting \$281.9 million for refuge operations and maintenance (\$19.9 million more than FY'00); \$50 million for law enforcement operations (\$12.6 million more than FY'00); and \$22.9 million, or \$1 million more than FY'00, for migratory bird management.

According to the USFWS, the infrastructure of our Refuge System includes over 4,000 buildings, 6,500 miles of roads, 2,700 miles of dikes, thousands of water control structures, and a wide diversity of vehicles and equipment. The replacement value is estimated to exceed \$4.5 billion.

In 1999, 35million people visited one or more National Wildlife Refuges. Approximately 90 percent of refuge visitors will participate in wildlife-dependent recreational and educational activities. In fact, most refuges welcome those people who want to hunt, fish, or study and learn about wildlife and their needs. Currently, 290 refuges are open for hunting and 307 units are open for fishing. This represents more than 90 percent of all the refuge acreage.

It is also interesting to note that a total of 56 refuges have been established specifically to protect threatened and endangered species, and 37 refuges contain areas designated as critical habitat for endangered species. Over 400 units have at least one threatened or endangered species during some part of the year. Of the 1,205 U.S.-listed species, approximately 258 species are in habitats within the Refuge System.

The Refuge System has also witnessed a surge in the number of people who are volunteering their time to assist our refuges in education, habitat management, maintenance, research, and public use. From the inception of the volunteer program in 1982, the number of volunteers has increased from 4,251 to 28,757 individuals in 1999. The hours of service have also grown from 128,440 hours to 1.3 million hours in FY'99. The Service received about \$1 million in FY'99 appropriations to implement the National Wildlife Refuge System Volunteer and Community Partnership Enhancement Act. To date, these funds have been used to hire volunteer coordinators at various refuges, including the Upper Mississippi River National Wildlife Refuge, Desert National Wildlife Refuge, Texas Chenier Plain National Wildlife Refuge, Reelfoot National Wildlife Refuge, Rhode Island National Wildlife Refuge, Sand Lake National Wildlife Refuge, and Arctic National Wildlife Refuge. In addition, Refuge education programs will be developed and more volunteerism will be encouraged. There have been no additional funds requested for this program in FY'01. However, there is carryover money that will be used to hire additional volunteer coordinators.

Finally, last year, the Congress appropriated \$261 million for refuge operation and maintenance. This represented an increase of \$23.8 million over FY'99, which was the largest amount appropriated for the Refuge System and the largest ever targeted for the operation and maintenance programs.

The Service also requested an additional \$8.9 million for Refuge operations to support 89 priority projects. The refuge operation projects include money for coral reef management, invasive alien species, the Lewis and Clark Bicentennial Initiative, and expanded efforts to implement the Native American Graves Protection and Repatriation Act of 1990.

It is interesting to note that the Administration's submitted budget represents an additional \$20 million for refuge operations but a decrease of \$248,000 for maintenance. At this time, there are 8,926 projects (\$779 million) pending in the Maintenance Management System, which identifies those infrastructure problems that need to be fixed.

The USFWS has also requested that \$996,000 be allocated to support ongoing and planned Salton Sea clean-up and recovery construction next year. The Service noted that in 1996, 14,000 birds, including over 1,400 endangered brown pelicans and 10-12 percent of the West Coast American white pelican population, died from avian botulism caused by a bacterial infection in Salton Sea fish.

Finally, the Fish and Wildlife Service has requested \$22.8 million for migratory bird management. This is an increase of \$1 million over FY'00. These funds will be used to assist refuge managers in evaluating the effectiveness of lesser snow goose population control measures, to finalize a management plan to deal with the growing population of double-crested cormorants and resident Canada geese, implement new bird conservation plans, continue waterfowl harvest surveys, and establish a network of long-term monitoring programs in grassland and riparian habitat.

***Law Enforcement:** The USFWS currently has 212 wildlife agents and 93 wildlife inspectors that are responsible for enforcing Federal Wildlife protection laws and conserving species protected by our Endangered Species Act, international treaties, or by individual foreign countries. While this division has a statutory cap of 252 wildlife agents, retirements and a lack of any significant budget increases for nearly a decade have stretched this division to its limits. In FY'01, the Administration has asked for a net increase of \$12.6 million above last year's appropriated level of \$39.4 million. This increase will be used to: halt illegal trade in bear parts, skins, and live birds; increase protection of endangered species in the United States, improve enforcement of Federal migratory bird hunting regulations; equip agents with state-of-the-art weapons and body armor; train new agents; and provide \$800,000 to replace outdated forensic equipment at the Clark B. Bavin Forensics Laboratory in Ashland, Oregon. This facility, which opened in 1988, is the first and only full-service crime laboratory in the world devoted to wildlife law enforcement. It is designed to meet the needs of wildlife law enforcement agencies in the United States by providing species-specific identification of wildlife parts and products.

On June 4, 1999, the Division conducted an auction in Denver, Colorado, of over 100,000 wildlife items that were valued in excess of \$1 million. This auction was comprised of forfeited and abandoned wildlife property that had been stored at the National Eagle and Wildlife Property Repository. These items included boots, handbags, jackets, shoes, and watchbands. The Service has indicated that nearly \$450,000 was obtained from this sale and that no further auctions are anticipated this year.

***Fisheries:** Includes fish hatchery operations and maintenance and the management of anadromous, inland Great Lakes, and international fishery resources. The Service currently manages 66 National Fish Hatcheries, 8 fish technology centers, 9 fish health centers, 8 river coordinators, and 64 fish and wildlife assistance offices. The proposed FY'01 budget request for this account is \$82.6 million, a decrease of \$2.6 million below the FY'00 appropriation.

During this Administration, the Service has transferred about a dozen National Fish Hatcheries to the States. There are no additional transfers contemplated in the FY'01 budget document, and no additional transition funds to those States that obtain title to various National Fish Hatcheries.

It has been estimated that the 66 remaining National Fish Hatcheries will produce and distribute 163 million fish and 140 million fish eggs this year, valued at over \$5 billion, while enhancing partnerships with State, local, and tribal governments. Recreational fishing annually contributes about \$38 billion to the national and regional economies. These hatcheries also assist in the recovery of 31 of the 111 Federally listed threatened and endangered fish species. These hatchery fish include Atlantic and Pacific salmon, American shad, Gulf Coast striped bass, and sturgeon.

On a specific basis, the Service has requested \$43.1 million to operate and maintain the hatchery program, which is

\$1.5 million less than last year; zero funding for the Lower Snake River Compensation Plan; and \$28.2 million for Fish and Wildlife Management Assistance, which is an increase of \$10.3 million above the FY '00 appropriated level. The Administration has entered into a Memorandum of Understanding (MOU) with the Bonneville Power Administration, which will provide direct funding for Lower Snake River fish mitigation operations in the future.

During FY'01, National Fish Hatcheries in the Pacific Northwest will produce approximately 66 million fish in support of the Service's efforts to restore and recover Pacific salmon and steelhead trout in the Columbia River Basin, Puget Sound, and coastal Washington and Oregon. The Service will continue measures to prevent the introduction of non-indigenous species in Prince William Sound and expand efforts to control aquatic nuisance species in the Great Lakes.

***General Administration:** The Administration has requested that \$123.2 million be allocated for this account, which represents an increase of \$6.9 million from FY '00. The highlights of this account are: \$15.3 million for the National Conservation Training Center in Shepherdstown, West Virginia; \$6.7 million for the National Fish and Wildlife Foundation; and \$11.3 million for international affairs. Under this account, funds will be spent to streamline the permits process, to participate in the upcoming CITES conference in Nairobi, Kenya, and to evaluate trade in U.S. species.

Under the International Affairs account, the Service is also seeking \$1.3 million to expand protections for neotropical migratory birds, \$100,000 for Arctic flora and fauna, and \$50,000 to assist the Mexican government in their efforts to conserve the habitat of the monarch butterfly. This species is the only highly migratory insect in the world.

(B) CONSTRUCTION: This account provides funds for construction of bridges, dams, fish hatcheries, and wildlife refuges. The FY'01 budget request for this account is \$44.2 million, which is \$9.2 million less than last year.

The largest construction projects included in the FY'01 budget are: \$8.6 million to rehabilitate a 3,420-foot seawall at the Tern Island National Wildlife Refuge in Hawaii, which has become a hazard for endangered Monk seals and threatened green sea turtles; \$7.5 million to plan and design a new interpretive center and administrative facility at the Pelican Island National Wildlife Refuge in Florida; \$3.5 million to begin the construction of a headquarters and visitors center at the Chincoteague National Wildlife Refuge in Virginia; \$2.5 million for water treatment improvement at six Northeastern National Fish Hatcheries; \$1.8 million to rehabilitate and expand the law enforcement forensics laboratory in Oregon; \$1.6 million to construct a new laboratory and administration building at the Bozeman Fish Technology Center in Montana; and \$1.23 million for the headquarters complex at the Parker River National Wildlife Refuge in Massachusetts.

(C) LAND ACQUISITION: This account provides funding for acquisition of lands to protect fish and wildlife habitat. The FY'01 budget request for this function is \$111.6 million, which is \$59.8 million more than FY'00. The Fish and Wildlife Service has recommended the following land acquisitions for our National Wildlife Refuge System:

\$9 million to purchase 233 acres for the J.N. "Ding" Darling National Wildlife Refuge complex (LAPS Rank 1); \$6.3 million for 199 acres for the Pelican Island National Wildlife Refuge in Florida (LAPS Rank 107); \$6 million to purchase 12 acres at the Archie Carr National Wildlife Refuge in Florida (LAPS Rank 80); \$6 million to purchase 200 acres at the Florida Keys National Wildlife Refuge in Florida (LAPS Rank 41); \$6 million to purchase 679 acres at the San Diego National Wildlife Refuge in California (LAPS Rank 20); \$5 million to purchase 68 acres at the Long Island National Wildlife Refuge complex in New York (LAPS Rank 139); \$4.5 million to purchase 3,000 acres at the Balcones Canyon National Wildlife Refuge in Texas (LAPS Rank 15); and \$4 million to purchase 4,802 acres for the proposed Cat Island National Wildlife Refuge in Louisiana (LAPS Rank 104).

Furthermore, the Administration intends to seek a \$9.25 million appropriation for the Palmyra Atoll National Wildlife Refuge in the Pacific Ocean. This money would be used to buy approximately 20,000 acres of privately held land for inclusion within the proposed refuge which is currently not ranked on the Service's LAPS list. In FY'00, Congress reprogrammed \$8 million for this acquisition because of the failure to obtain non-Federal matching funds for the purchase of this land. At this time, there is not a signed purchase agreement.

In total, the Service has recommended that 123,543 acres be acquired at a cost of \$94.4 million for inclusion within 46 National Wildlife Refuge units. These lands are acquired under the Emergency Wetlands Resources Act, the

Endangered Species Act, the Fish and Wildlife Act of 1956, and separate legislative statutes.

(D) NORTH AMERICAN WETLANDS CONSERVATION FUND: This Fund is designed to conserve wetland ecosystems and the species they support. It provides the financial assistance necessary for the implementation of the North American Wetlands Management Plan, an agreement signed in 1986, to reverse the loss of wetlands throughout the continent. To date, over 1,000 partners have worked together on more than 700 projects in 47 States, 10 Canadian provinces, and 18 Mexican states. It has been estimated that the Fund has been able to protect, restore or enhance more than 13 million acres of wetlands and associated uplands in the U.S. and Canada.

The Administration has requested \$30 million for the North American Wetlands Conservation Fund, which is twice the level of funding received in FY'00. In 1998, Congress approved legislation that reauthorized the North American Wetlands Conservation Act (NAWCA) at \$30 million per year. The Administration supported this legislation (P.L. 105-312) and has finally requested this amount.

Projects supported by this Fund boost local economies through jobs and migratory bird recreation. A recent survey estimates \$20 billion in economic activity and 234,000 jobs in the U.S. alone for migratory bird-related recreation.

(E) MULTINATIONAL SPECIES CONSERVATION FUND: In FY'99, Congress established this new fund that incorporates appropriations for the African Elephant Conservation Act, the Asian Elephant Conservation Act, and the Rhinoceros and Tiger Conservation Act. The Fish and Wildlife Service intends to maintain separate subaccounts for the African elephant, Asian elephant, rhino, tiger and wild bird conservation programs. It is interesting to note that the Clinton Administration has never requested any money for the Wild Bird Conservation Act of 1992.

*African Elephant Conservation Fund: Established by the African Elephant Conservation Act of 1988, which authorizes up to \$5 million each year for meritorious elephant conservation projects. The FY'01 request is \$1 million, which was the amount appropriated in FY'00. The authorization for this Fund expires on September 30, 2002. Since its creation, Congress has appropriated more than \$10 million to the African Elephant Conservation Fund. This money has been allocated by the U.S. Fish and Wildlife Service for over 110 conservation projects in 20 range states throughout Africa. These projects have included: elephant population surveys, anti-poaching equipment for wildlife rangers, and translocation of elephants from certain drought regions.

*Asian Elephant Conservation Fund: Established by the Asian Elephant Conservation Act of 1997 (P.L. 105-96). This Fund is authorized at \$5 million per year until September 30, 2002. The Administration has requested \$1 million for this fund in FY'01. While no projects have yet been funded, the Service has indicated that it intends to finance up to 20 projects that affect Asian elephant research, management, community outreach and education, law enforcement, genetic studies, and traditional elephant training. The world's surviving population of wild Asian elephants, estimated to number between 35,000 and 45,000, are found in 13 South and Southeastern Asian countries.

*Rhinoceros and Tiger Conservation Fund: This Fund was created with the enactment of the Rhinoceros and Tiger Conservation Act of 1994 (P.L. 103-91). This law authorizes Congress to appropriate up to \$10 million each year for this Fund until September 30, 2002. To date, Congress has appropriated \$2.2 million to the Fund, which has been used to finance 93 conservation projects in 15 countries. The Service is currently reviewing a number of additional projects. Federal assistance has been spent on conservation projects including: an adopt-a-warden program in Indonesia, survey of tiger trade in Cambodia, 30 rhinoceros scouts in Namibia, aerial monitoring of white rhinos in Zaire, and investigation of tiger poaching in India. In FY'01, the Administration has requested \$1 million for the Rhinoceros and Tiger Conservation Fund. To date, the Service has received more than 10,000 letters in support of this Fund.

(F) STATE NON-GAME WILDLIFE GRANTS FUND: The Service requests funding for a new \$100 million program to provide grants to States, Tribes, and U.S. Territories for non-game wildlife management planning, wildlife inventories, monitoring and research, habitat restoration, education, and wildlife recreation. Under this proposal, the States would receive ninety and one-third of one percent of the available funds. The distribution formula for the State share would allocate one-third of those funds based on the area of the State and two-thirds of the funds based on the population of the state. A "ceiling" of five percent would be the maximum the State could receive and a "floor" of one percent of the funds would ensure an equitable distribution to all 50 States. Tribes would get three percent of the available funds, Puerto Rico would receive one percent, and Guam, the Virgin Islands, American Samoa, Northern

Mariana Islands and the District of Columbia would get one-third of one percent of the available funds. Attached is a chart describing how money would be allocated under the State Non-Game Wildlife Grants Fund, which is a component of the Administration's so-called Land Legacy Initiative, which is a component of the Administration's so-called Lands Legacy Initiative.

(G) **PERMANENT ACCOUNTS:** The FY'01 budget request also includes \$623.9 million in permanently appropriated funds, which is \$5.1 million less than last year. The following Fish and Wildlife Service programs will receive these funds:

*Migratory Bird Conservation Account: Funds land acquisition for migratory waterfowl habitat and various conservation efforts with receipts from the sale of "duck stamps", import duties collected on arms and ammunition, and wildlife refuge entrance fees. The USFWS anticipates collecting \$42.2 million in FY'01, which is \$70,000 less than for the same period last year. This includes: \$25 million from the purchase of duck stamps; \$17 million in import duties on arms and ammunition; and \$210,000 in refuge entrance fees. During FY'01, the Service anticipates that the Migratory Bird Commission will acquire 120,500 acres of refuge lands and waterfowl production areas for migratory waterfowl.

*Federal Aid in Wildlife Restoration (Pittman-Robertson): Provides funding to States to carry out wildlife restoration projects. First enacted in 1937, the Fund is financed by an 11 percent excise tax on firearms, ammunition, and archery equipment, and a 10 percent excise tax on pistols and revolvers. The Act prescribes a formula that distributes 50 percent of the funds based on the area of the State and 50 percent based on the number of paid hunting license holders in each State. It is estimated that \$237 million will be collected for distribution to the States in FY'01. This is \$9.2 million more than what the Service expects to collect this year.

*National Wildlife Refuge Fund: Provides payments to counties in which Fish and Wildlife lands are located to compensate for the tax revenue that would have been generated if the lands had remained in private hands. Funding for the program is derived from net revenues from the sale of grazing rights, mineral resources, oil and gas, timber, and other products from Service lands. In FY'99, the Service raised \$8.3 million from these activities. The Administration is requesting that \$10 million be distributed to counties under the Refuge Revenue Sharing Act. This is a decrease of \$739,000 and it represents less than 60 percent of the money the counties could be eligible to receive. By combining the receipts and appropriations, the Service will direct \$16.4 million towards payments to counties, or 59 percent of the full entitlement in FY'00.

*Cooperative Endangered Species Conservation Fund: This Fund provides grants to States and Territories for participation in a wide array of conservation and recovery programs for candidate, proposed, and listed species on non-Federal lands. In FY'01, the Service has requested that \$65 million be allocated for this Section 6 ESA program, which is \$44 million more than FY'00. This huge increase is a component of the Administration's Lands Legacy Initiative. This money allocated from the Land and Water Conservation Fund would be provided to States and local governments to conserve open space for wildlife habitat and public recreation. A State or Territory must enter into a cooperative agreement with the Service to receive grants.

*Sport Fish Restoration Program (Wallop-Breaux): Provides funding to States to implement sport fish restoration and enhancement projects. These can include: acquisition of sport fish habitat, stocking of sport fish, research into fishery resource problems, surveys of sport fish populations, operation and maintenance of facilities, and aquatic resource education. The Fund is financed from a 10 percent excise tax on sportfishing tackle and equipment, a 3 percent excise tax on electric trolling motors and fishfinders, a portion of gasoline taxes paid by motorboat users, taxes from gasoline used in small engines, and interest earned on the investment of these funds. It is estimated that \$291.7 million will be collected in taxes and duties for distribution to the States in FY'01. This is a significant decrease of \$13.8 million in revenues, which is primarily the result of accounting changes enacted in the Tax Payers Relief Act of 1997. The amount available in FY'01 will be lower because the apportionment will return to a regular 12-month receipt cycle. Funds from this account will also be used for the Coastal Wetlands Grants Program (\$10.9 million); the North American Coastal Wetlands Fund (\$10.9 million); and for Clean Vessel Act Grants (\$10 million).

(H) **MISCELLANEOUS PERMANENT ACCOUNTS:**

***Wildlife Conservation and Appreciation Fund:** Grants awarded to States are directed toward nonconsumptive activities and may not be directed toward species that are taken for recreation, fur or food, endangered or threatened species under the Endangered Species Act of 1973, or marine mammals. In FY'01, the Administration intends to provide \$765,000 in grant money to the States.

***Lahontan Valley and Pyramid Lake Fish and Wildlife Fund:** The objectives of this Fund are to protect, restore and enhance Lahontan Valley wetlands, acquire water rights necessary to sustain 25,000 acres of primary wetlands, and fulfill the goals of the Endangered Species Act to assist in the recovery of listed fish species in Pyramid Lake. The FY'01 budget request is \$60,000.

***Recreational Fee Demonstration Program:** This program was authorized by the FY'96 Omnibus Appropriations Act, which directed that entrance and user fees be retained for operation and maintenance with at least 80 percent returned to the specific site of collection to offset program costs and enhance visitor facilities. By the end of FY'99, there were 87 approved sites (86 National Wildlife Refuges and one National Fish Hatchery in South Dakota). In FY'99, \$3.4 million was collected from these sites. In addition, \$2.5 million was spent to defer the cost of collection, improve visitor services, and to address maintenance backlogs. In FY'01, the Service expects to collect \$4.2 million under this program.

Attached are several charts that summarize these accounts.

Attachments

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