

**STATEMENT FOR THE RECORD  
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**for the**

**HOUSE FISHERIES CONSERVATION, WILDLIFE AND OCEANS SUBCOMMITTEE  
OVERSIGHT HEARING REGARDING FISCAL YEAR 2003 BUDGET REQUEST FOR THE U.S.  
FISH AND WILDLIFE SERVICE**

I would like to take this opportunity to present the President's Fiscal Year 2003 Budget Request for the U.S. Fish and Wildlife Service to the House Appropriations Subcommittee on Interior and Related Agencies.

The Service's FY 2003 budget requests a total of \$1.976 billion, consisting of \$1.316 billion in current appropriations and \$660.1 million in permanent appropriations, and including \$32.8 million for a government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the Federal employee health benefits program. Excluding the legislative proposal, the FY 2003 budget for current appropriations is \$6.9 million, slightly above the FY 2002 enacted level. The 2003 request for the Resource Management account totals \$903.6 million, \$53.0 million above the FY 2002 enacted level. Federal acquisition of land and easements from willing sellers is funded at \$70.4 million, a decrease of \$28.8 million below FY 2002, which reflects a focus on existing lands and facilities and a transfer of the land acquisition planning function to refuge operations. The Construction account is funded at \$35.4 million in accordance with the Department's five-year plans for construction and maintenance.

The proposal to transfer to agencies the full costs of the Civil Service Retirement System and Federal Employees Health Benefits program will more nearly show the true costs of federal programs, allowing managers to make decisions based on better cost information. This reform adds \$32.8 million to the Service's 2003 current appropriation request. For comparability, the Service has estimated the amounts that this change would have added to the budget in 2001 (+\$29.1 million) and 2002 (+\$31.9 million).

The President's budget highlights programs that exclusively provide direct financial and technical assistance to states, local communities, landowners, and conservation groups, as well as three multi-bureau cross-cutting initiatives: the new Cooperative Conservation Initiative, and continued support for Pacific Northwest salmonid conservation and Everglades restoration.

**Financial and Technical Assistance to States, Tribes, Local Communities and Conservation Groups**

The request includes \$283.9 million in programs that exclusively provide direct financial assistance to states, tribes, local communities, landowners, and conservation groups, including \$50.0 million for the Landowner Incentive grant program; \$10.0 million for the Private Stewardship Grant program; \$91.0 million for the Cooperative Endangered Species Conservation Fund; \$43.6 million for the North American Wetlands Conservation Fund; \$60.0 million for State and Tribal Wildlife grants; and \$29.3 million for the Partners for Fish and Wildlife Program, funded within the Resource Management account.

## **Cooperative Conservation Initiative**

This will be a flexible, incentive-based program to implement the Secretary's goal of conservation through cooperation, consultation and communication. It will fund cooperative conservation challenge projects that seek to achieve the actual restoration of natural resources through innovative means or practices; the establishment or expansion of habitat for wildlife; or the collection of information which has as its purpose the conservation of natural resources or protection of wildlife. Half of the funds will be available to the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service for projects of benefit to federal lands and resources. The other half will be allocated to states through the National Park Service's Land and Water Conservation Fund State Grants program.

The Service is requesting \$18.0 million to implement this initiative. A minimum of \$5.0 million will be directed toward the National Wildlife Refuge System (which will build on its ongoing Challenge Cost Share program to prioritize proposals). The remaining \$13.0 million is available to nearly all Resource Management programs.

The Service, using its conservation grant program management experience and capability, will reach out to new constituencies and encourage innovative new conservation proposals under the CCI program. The CCI program will focus on citizen-centered natural resource stewardship and recognize innovative new ideas and expansion and replication of existing successful activities.

## **Pacific Northwest Salmonid Conservation**

The Service requests an additional \$3.7 million in our Resource Management account to carry out the Service's requirements for implementing the Reasonable and Prudent Alternatives for several biological opinions in the Columbia River Basin to address declining species such as bull trout, Kootenai white sturgeon, 12 salmon and steelhead populations, and others. The Service will continue to work with states, federal agencies, tribes, and other stakeholders in the Pacific Northwest.

This request will implement a broad range of activities, including instream flows, estuary protection and restoration, passage and habitat for bull trout, evaluation of hatchery reform plans, and completion of Section 7 consultations on many federal actions. In total, \$9.7 million will be available to implement the Service's responsibilities under the biological opinions.

## **Comprehensive Everglades Restoration Plan**

The Service requests a total of \$6.3 million to acquire lands at J.N. "Ding" Darling, National Key Deer, and Pelican Island National Wildlife Refuges to support the Comprehensive Everglades Restoration Plan (CERP), the most far-reaching and ambitious ecosystem restoration project ever undertaken in the U.S. 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. In addition, the Service's budget includes \$3.4 million for CERP implementation and operating costs.

## Summary of Request

### Resource Management

The FY 2003 budget request for current appropriations totals \$934.7 million including \$31.1 million for a government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the federal employee health benefits program for current employees. Without the legislative proposal, the request is \$903.6 million a net increase of \$53.0 million.

**Ecological Services** -- The Service requests a total of \$211.1 million, a net decrease of

\$8.6 million below the FY 2002 enacted level (primarily due to elimination of one-time projects), but an increase of \$1.3 million above FY 2001, for Ecological Services programs:

**Endangered Species** - The Service requests a total of \$125.7 million, \$6,000 above the FY 2002 enacted level and \$4.8 million above FY 2001. The program funding will support operations that enhance implementation of the *Endangered Species Act*, including:

**Candidate Conservation** - The Service requests \$8.7 million, a \$1.1 million increase over the FY 2002 level. The request includes a \$1.5 million program increase to support an additional 38 Candidate Conservation Agreements (CCAs) with private landowners, states and local governments, which will keep at least three species from being listed. These agreements help better manage threats to species and their habitat before they become critically imperiled. Eighty-one CCAs have been completed and signed as of December 31, 2001.

**Listing** - The Service requests \$9.1 million, which includes a \$77,000 increase for uncontrollable costs. This program determines whether to list wildlife and plant species. If listed, a species is protected under the *ESA*, including prohibitions on taking the (e.g. killing or harming) species. The budget continues the listing cap language and the critical habitat sub-cap language as enacted in the 2002 appropriations act. In the 2003 proposal, funding for critical habitat is set at \$5.0 million, \$1.0 million below FY 2002, to ensure additional resources are available for new listings, critical habitat designations, and responding to citizen petitions.

**Consultation/HCP** - The Service requests \$47.8 million, an increase of \$2.3 million above the FY 2002 enacted level, to respond to the greatly increasing demand for consultations, technical assistance, and habitat conservation plan (HCP) permits.

A \$2.0 million program increase will allow the Service to review an estimated additional 2,000 actions for a total of more than 77,000 actions. In addition, the Service will finalize 75 new HCPs in FY 2003. The President's energy plan is expected to increase the consultation and HCP workload as coal, natural gas, and oil resources are developed. Also, in the section 7 program, the Bureau of Land Management has identified approximately 70 management units that require consultations on their Resource Management Plans due to newly listed species, critical habitat designations, or outdated plans. The Service is also providing technical support in the development of about 200 new HCPs as well as oversight and implementation assistance for roughly 400 approved HCPs.

In addition, as part of the \$3.7 million Service-wide increase for Pacific Northwest salmonid, the Service

requests \$0.8 million to address consultation needs from a variety of customers and ensure that the Service and other federal agencies are in compliance with Federal Columbia River Power System Biological Opinions.

**Recovery** - The Service requests \$60.2 million, a decrease of \$3.4 million below the FY 2002 enacted level, primarily due to discontinuance of one-time projects. The request includes a \$2.5 million program increase for direct actions to stabilize at least 40 critically endangered species that are on the brink of extinction, delist or downlist 8 species whose status has improved, increase work with partners to recover listed species, and complete the recovery planning process for at least 50 species that lack recovery plans.

Actions that will stabilize these species and prevent their extinction will be a priority. The emergency-listed Columbia Basin pygmy rabbit has fewer than 50 individuals in the wild in Douglas County, Washington. Preventing the extinction of this species will require addressing threats posed by disease, predation, loss of genetic diversity, and loss of its sagebrush habitat. Another species on the brink of extinction is the Mississippi gopher frog, once found throughout the Lower Coastal Plain from Louisiana to Florida, but currently only known from one pond in Mississippi. Preventing the extinction of this unique frog will require the restoration of ponds and surrounding habitats and the reintroduction of frogs from the one remaining population.

In addition, as part of the \$3.7 million increase for Pacific Northwest salmonid, a \$0.6 million program increase will help the Service meet its obligations as set forth by the Federal Columbia River Power System Biological Opinions. These actions will further the recovery of bull trout and Kootenai white sturgeon.

**Habitat Conservation** - The Service requests a total of \$74.6 million for Habitat Conservation programs, \$8.8 million below the FY 2002 enacted level, and \$3.7 million below FY 2001, primarily due to the elimination of one-time projects.

**Partners for Fish and Wildlife** - The Service requests \$29.3 million, a net decrease of \$7.3 million (primarily due to the elimination of one-time projects) to continue this highly effective program for voluntary habitat restoration on private lands. The 16-year-old Partners program has quietly worked with 27,000 private landowners through voluntary partnerships to implement on-the-ground habitat restoration projects across the country. The program provides cost-sharing and one-to-one restoration expertise to assist restoration of 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 Service requests \$30.9 million, a net increase of \$125,000 over the FY 2002 enacted level and \$3.1 million above FY 2001. The request includes a \$180,000 program increase to help facilitate hydropower licensing activities in the Columbia River basin while addressing the need to protect and conserve Pacific Northwest salmonid species as part of the \$3.7 million Service-wide increase for Pacific Northwest salmonid. The Service will only have this unique opportunity to participate in the FERC relicensing of 45 dams in the Columbia River Basin over the next several years and include conservation measures in these relicensing actions that will have an impact on the area for the next 30 to 50 years.

**Coastal Program** - The Service requests \$9.7 million, a decrease of \$1.6 million below the FY 2002 enacted level (primarily due to the elimination of one-time projects), but \$0.3 million above FY 2001, to work with partners to protect public and private coastal lands in 15 high-priority coastal watersheds. Maps,

habitat surveys, and grant application assistance are helping communities plan and implement projects that balance economic development and the protection of coastal resources that make these communities desirable places to live and work.

The request includes a \$180,000 program increase as part of the \$3.7 million Service-wide increase for Pacific Northwest salmonid. The increase will be used to implement actions in the Columbia River estuary identified in the National Marine Fisheries Service Federal Columbia River Estuary program, will restore tidal wetlands and improve water quality to aid in rebuilding native aquatic species populations in the lower 46 miles of the Columbia River.

**National Wetlands Inventory** - The Service requests \$4.7 million, a net increase of \$18,000 over the FY 2002 enacted level and \$85,000 above FY 2001, to continue strategically producing maps and updated digital resource information. Emphasis will be 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 in a way that avoids potential adverse effects on fish and wildlife trust resources.

**Environmental Contaminants** - The Service requests \$10.8 million a net increase of \$201,000 above the FY2002 enacted level, and \$135,000 above FY 2001. The request includes an additional \$120,000 as part of the \$3.7 million Service-wide increase for Pacific Northwest salmonid. The increase will be used to address requirements of the Service and National Marine Fisheries Service Biological Opinions on Operation of the Federal Columbia River Power System.

**National Wildlife Refuge System: Fulfilling the Promise** - The Service requests \$376.5 million for National Wildlife Refuge System operations and maintenance, a net increase of \$56.5 million above the FY 2002 enacted level and \$75.8 million above FY 2001. This increase will direct new resources toward enhancing wildlife protection and public use opportunities at our National Wildlife Refuges and address the Secretary's commitment to reducing maintenance backlogs as the system approaches its Centennial anniversary.

**Refuge Operations** - The request includes a \$12.0 million program increase for 96 refuge operations projects, including base start-up costs on 13 recently established or expanded refuges (refuges added to the system after the refuge operations needs database was prioritized in 1999). The Service's priority operating needs define wildlife and habitat management critical to fulfilling the system's conservation mission. Operations priorities also reflect a commitment to provide the highest quality visitor programs called for in the *National Wildlife Refuge System Improvement Act of 1997*. Refuge operations include numerous activities that foster resource stewardship, visitor services, refuge planning and support throughout the system.

**Visitor Facility Enhancement** - The Service requests \$2.0 million for a new initiative to reinforce our commitment to refuge visitors through enhanced access to and quality of outdoor experiences. Enhancements include construction and maintenance of boat launches, observation decks, hunting and photography blinds, trails, boardwalks and overlooks, fishing piers, and informational signs and kiosks. All facilities would be accessible to persons with disabilities.

**Comprehensive Conservation Plans** - As mentioned above, the Service requests a \$1.0 million program increase to complete CCPs at 11 stations and initiate CCPs at 6 stations. *The National Wildlife Refuge System Improvement Act of 1997* requires the Service to complete a Comprehensive Conservation Plan

(CCP) to cover every unit of the National Wildlife Refuge System within 15 years of its passage (2012). To date, we have worked with the states and local communities to complete 28 CCPs, covering 35 stations. Another 85, covering 166 stations, are currently underway. In FY 2002, we expect to complete 32 CCPs, covering 68 stations.

**Cooperative Conservation Initiative** -- The Service requests a \$5.0 million program increase to allow the National Wildlife Refuge System to build on its highly successful Challenge Cost Share program through projects to further strengthen refuge management by completing projects that benefit refuge lands with state and local partners. In addition, the refuge system is eligible to compete for the \$13.0 million in CCI funds requested within General Operations.

**Acquisition Planning** - In FY 2002, the Service will transfer \$3.7 million from the Land Acquisition Management Account to the Resource Management Account for land acquisition planning. Of this amount, \$0.5 million is for estimated cost allocation methodology (CAM) charges and \$3.2 million is for staffing and related costs.

**Refuge System Centennial Maintenance** - The Service requests a \$30.7 million program increase to reduce the number of deferred maintenance projects and fund other maintenance needs in order to ensure safe visits, protect wildlife, enhance habitats. Over a four year period, the Service would retire an estimated \$100.0 million in deferred maintenance projects. This historically significant effort is the first major step for the refuge system Centennial.

The refuge system requests funding for several bold, innovative programs that will provide savings to the government, greater accountability, economic benefits to local communities, and improved refuge facilities.

**Annual Preventative Maintenance** - The Service requests a \$0.5 million program increase for annual preventive maintenance to prevent small maintenance problems from becoming deferred maintenance projects; and a \$2.0 million program increase to ensure proper and efficient implementation of preventive maintenance projects for those refuges piloting the Service Asset and Maintenance Management System and Maximo software.

**Improved Equipment Management** - The Service requests a \$.05 million program increase in the refuge system's new Equipment Rental and Leasing Fund to preclude the purchase of costly heavy equipment and benefit local economies, and a \$0.5 million program increase for a new Alternately Fueled Vehicle Fund to provide an incentive for refuge managers to purchase fuel-efficient vehicles.

**Deferred Maintenance** - The Service requests a \$25.3 million program increase to reduce the number of deferred maintenance projects and improve our facilities and infrastructure, including visitor centers, historically significant buildings and on-site staff housing. The Service plans to complete over \$20.0 million in projects (i.e., fixing broken boardwalks, repairing parking areas and roads, and providing trails) that directly contribute to visitor access and enjoyment of refuges.

**Migratory Bird Management** - The Service requests \$28.3 million for migratory bird management, a net decrease of \$0.3 million below the FY 2002 enacted level, but \$2.6 million above FY 2001. Program increases are primarily offset by the elimination of one-time projects.

**Conservation and Monitoring** - The request includes a \$0.6 million program increase to determine band reporting and harvest rates of waterfowl. Estimation of survival, harvest rates, and reproduction rates is

critical to the sound management of waterfowl populations, and the estimate of band-reporting rates allows direct estimation of waterfowl harvest rates in support of hunting programs. When actual harvest rates are unknown or poorly estimated, a more conservative decision-making process occurs and consequently more restrictive regulations are used than would be necessary if accurate harvest-rate estimates were available.

**Partnerships in Action: The North American Waterfowl Management Plan** - The Service requests a \$0.4 million program increase for the Joint Venture program. This successful program protects and restores critical habitats for diverse migratory bird species across all of North America, both on and to a greater extent off Service lands. As of December 2001, Plan partners have contributed approximately \$1.5 billion to protect, restore, or enhance almost six 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 requests \$51.9 million, an increase of \$1.5 million over the FY 2002 enacted level and \$2.3 million above FY 2001. The request includes a \$1.0 million program increase to provide additional core law enforcement capability for this program (refuge law enforcement is addressed within the National Wildlife Refuge System activity). The Service is actively strengthening the Law Enforcement program by filling current agent vacancies and providing funds to support baseline enforcement activities of on-board staff. This increase would enhance agent mobility through additional funding for investigative travel and vehicle operation essential to detecting, documenting, and deterring wildlife crime. The program continues to protect imperiled species worldwide by addressing a growing docket of wildlife crimes.

**Fisheries** - The Service requests \$94.8 million, a net decrease of \$9.1 million below the FY 2002 enacted level and \$2.7 million above FY 2001, to continue supporting activities that restore the nation's waterways, native aquatic species, and habitats. Program increases are offset primarily by the hatchery reform reduction and reductions to non-recurring projects.

**National Fish Hatchery System** - The Service requests \$50.0 million, a net decrease of \$5.4 million below the FY 2002 enacted level.

The request includes a \$1.0 million program decrease to the Hatchery Operations program in order to implement needed reforms to the system to help focus on the priority restoration and recovery efforts. The reduction is consistent with the Administration's management reform initiatives. The Service will work with stakeholders to determine how to apply this reduction.

In addition, the Service requests a \$0.7 million program increase as part of a \$3.72 million Service-wide increase for Pacific Northwest salmonid. As an action agency under the National Marine Fisheries Service draft Artificial Propagation Biological Opinions, the Service will improve fish propagation strategies for 12 species of salmon and steelhead reared in hatcheries in the Columbia River Basin.

**Fish and Wildlife Management** - The Service requests \$44.8 million, a net decrease of \$3.7 million below the FY 2002 enacted level, primarily due to the elimination of one-time projects.

The request includes a \$1.1 million program increase as part of the \$3.7 million Service-wide increase for Pacific Northwest salmonid. This funding will be used to restore and recover aquatic species, increase efforts to enhance instream flows and passage, restore habitat, and improve water quality in the Columbia

River Basin. The additional funds will be used to monitor and evaluate salmon produced at National Fish Hatcheries in the Basin to facilitate reforms required under the National Marine Fisheries Service draft Biological Opinions on Artificial Propagation.

**General Operations** - The Service requests \$141.0 million, a net increase of \$13.0 million above the FY 2002 enacted level and \$12.0 million above FY 2001, for Central Office Operations, Regional Office Operations, Servicewide Administrative Support, National Fish and Wildlife Foundation, National Conservation Training Center, and International Affairs. The request includes a \$13.0 million program increase to implement the Secretary's Cooperative Conservation Initiative as discussed above.

**International Affairs** - Within General Operations, the Service requests \$8.2 million for the International Affairs program, \$3,000 above the FY 2002 enacted level and \$37,000 above FY 2001. The International Affairs program will continue working with others to protect, restore, and enhance the world's diverse wildlife.

**Streamlining** - The Service will implement \$3.4 million in across-the-board travel and moving cost reductions. Other streamlining reductions include \$0.8 million for elimination of regional ecosystem coordinator positions and \$0.45 million for elimination of headquarters ecosystem coordinator positions and consolidation of the Division of Civil Rights into the Division of Human Resources.

### **Construction**

The FY 2003 request for current appropriations totals \$36.2 million, including \$0.8 million for a government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the federal employee health benefits program for current employees. Without the legislative proposal, the request is \$35.4 million, a net decrease of \$20.1 million below 2002.

**Construction Projects** - The request includes \$25.2 million for 15 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. 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 Service requests \$7.2 million to support the Nationwide Engineering, Seismic Safety, and Environmental Compliance programs. The request includes a \$1.0 million program decrease for elimination of the Demolition Fund.

### **Land Acquisition**

The FY 2003 request for current appropriations totals \$71.1 million, including \$0.7 million for a government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the federal employee health benefits program for current employees. Without the legislative proposal, the request is \$70.4 million, a net decrease of \$28.71 million below 2002.

This request would acquire approximately 49,347 acres of fee and easement interests. Major focus areas for 2003 include the Everglades ecosystem (J.N. "Ding" Darling, National Key Deer and Pelican Island NWRs in FL) and Baca Ranch (CO).

### **Cooperative Endangered Species Conservation Fund**



The Service requests \$91,000,000 for the Cooperative Endangered Species Conservation Fund, \$5,235,000 below the FY 2002 enacted level. The proposed funding level would provide \$56,471,000 to support Habitat Conservation Plan Land Acquisition; \$17,759,000 for Recovery Land Acquisition grants to help implement approved species recovery plans; \$7,520,000 for traditional grants to states; and \$6,650,000 for HCP planning assistance to states.

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

The Service requests \$43.6 million for the North American Wetlands Conservation Fund, \$60,000 above the FY 2002 enacted level. This Fund protects and restores wetland ecosystems that serve as habitat and resting areas for migratory game and non-game birds, and supports non-regulatory private-public investments in the U.S., Canada, and Mexico.

To date, nearly 1,750 partners have worked together on nearly 976 projects in 48 states, the U.S. Virgin Islands, 13 Canadian provinces, and 24 Mexican states to protect, restore and enhance more than 8.7 million acres of wetlands and associated uplands in the U.S. and Canada and benefit vital habitat on more than 25 million acres within Mexico's large biosphere reserves. This request is expected to generate approximately \$295.0 million in total partner funds and resources and protect and enhance 953,500 acres of wetland and upland habitat.

### **Multinational Species Conservation Fund**

The Service requests \$5.0 million for the Multinational Species Conservation Fund (MSCF), \$1.0 million above the FY 2002 enacted level. The Service requests a \$1.0 million program increase for technical and cost-sharing assistance for neotropical migratory bird conservation under the MSCF. The Service will continue providing technical and cost-sharing grant assistance to African and Asian nations for conserving elephants, rhinoceros, tigers, great apes, and their habitats; and, begin providing funding to Western Hemisphere nations for neotropical migratory bird conservation.

Many neotropical migratory birds, as well as African elephants, Asian elephants, rhinoceroses, tigers and great apes, are endangered species protected from take and trade by CITES and U.S. laws. The Fund provides successful, on-the-ground support to range countries for protecting at-risk populations, habitat and ecosystem conservation and management, applied research that includes surveys and monitoring, conservation education, protected area management, developing conservation action plans, and decreasing human-wildlife conflicts. The Fund also generates local matching resources from partners.

### **National Wildlife Refuge Fund**

The FY 2003 request for current appropriations totals \$14.6 million, including \$144,000 for a government-wide legislative proposal to shift to agencies the full cost of the CSRS pension system and the federal employee health benefits program for current employees. Without the legislative proposal, the request is \$14.4 million, level with 2002.

There are no net increases above the enacted level for receipts from the sale of products, other privileges, and leases for public accommodations or facilities on the refuges. The FY 2003 estimate for payments to counties is \$18.1 million. The Service estimates that refuge visitors contribute more than \$400.0 million to local economies each year. These benefits will continue to grow with projected increases in visitation.

## **State and Tribal Wildlife Grants**

The Service requests \$60.0 million (including a \$5.0 million tribal set-aside) for State and Tribal Wildlife Grants, the same as the FY 2002 enacted level (the FY 2002 budget provided new appropriations of \$85.0 million, but rescinded \$25.0 million in carryover balances for a net level of \$60.0 million).

## **Permanent Appropriations**

In FY 2003, receipts into the Service's permanent appropriations are projected to total \$660.1 million, a combined \$7.8 million decrease from FY 2002 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 - Receipts are expected to decrease by \$18.6 million due to lower receipts from gasoline excise taxes on motor boats and small engine fuels and anticipated decreased interest on invested tax collections. Tax receipts and interest earned are available for obligation in the year following deposit into the Aquatic Resources Trust Fund.
- Federal Aid in Wildlife Restoration Account - Tax receipts available in FY 2003 for Wildlife Restoration projects are expected to slightly increase by \$9,300,000 above FY 2002 levels, and due to increased interest rates, interest earned is estimated to increase by \$4.0 million. 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.

## **U.S. Fish and Wildlife Service Management Reforms and Activities to Implement the President's Management Agenda**

In August of 2001, the President released his Management Agenda to help rethink and reform the federal government. The President's vision for reform is guided by three principles: it should be citizen-centered, not bureaucracy-centered; results-oriented; and market based. The President identified five government-wide initiatives to help achieve this vision:

- Strategic Management of Human Capital;
- Competitive Sourcing;
- Improved Financial Performance;
- Expanded Electronic Government; and
- Budget and Performance Integration.

The Service supports the President's Management Agenda and continues to create a citizen-centered organization by evaluating and implementing strategies to integrate budget and performance management, conduct workforce planning, competitively out-source with the private sector, and provide greater accountability to the American people. Approximately 8,736 full time permanent staff, supported by a volunteer force of 36,000, will work with others to conserve and protect fish, wildlife, plants and their habitats for the continuing benefit of the American people.

## **Strategic Management of Human Capital**

**Agency Restructuring** - Although the Service's headquarters are in the Washington, D.C. area, more than 80% of the workforce is located in local communities across the nation at approximately 700 field stations (75% employ fewer than 10 employees) supported by seven regional offices. The Service continues to evaluate potential restructuring options to provide better decision making and have more front line staff in direct contact with the public. Specific actions included in this budget request include a workforce planning study, a regional and Washington office study, and divisional consolidations.

**Workforce Planning** - The Service will address strategic management of human capital through a comprehensive process that provides managers a framework for making staffing decisions based on our mission, strategic plan, budgetary resources, and desired workforce competencies. A study is currently underway to help develop this process.

**Regional and Washington Office Study** - The Service is analyzing various aspects of its organization, including functions, internal work processes and responsibilities. The focus is on issues, problems and needs rather than a comprehensive classical organizational assessment. This study involves a review of Washington operations as well, with a particular focus on the relationship to regional office issues.

**Streamlining Consolidations** -- The Service has consolidated the Division of Diversity and Civil Rights into the Division of Human Resources to improve coordination and communication on human resource issues of common interest to the offices, such as diversity, recruitment, retention, student employment, and workforce planning, and will achieve \$250,000 in savings, beginning in FY 2003, from this move. In addition, the Service will save \$1.0 million through the elimination of ecosystem coordinator positions. And, in ongoing efforts to provide better service and have more staff in direct contact with the public, the Service has already consolidated the Juneau, Alaska, fish and wildlife office, the Panama City, Florida, field office and the Klamath Falls, California, fish and wildlife office and is preparing to consolidate two offices in Fairbanks, Alaska.

**Comprehensive Human Capital Investment Strategy** - The Service will implement a comprehensive Human Capital Investment Strategy to assess the current and future workforce skills needed to deliver the Service mission.

**Competitive Sourcing** - The Service has contracted with a GSA-approved firm, Management Systems International, to review, evaluate, and make recommendations for the most appropriate delineations of Service positions with respect to those that are "inherently governmental" and those that could be considered commercial activities. It will include a listing that clearly shows the commercial activities positions in the Service, is consistent among regions regarding similar positions, and is versatile enough to apply to current OMB codes.

**Improved Financial Performance** - The Service continues to strengthen its financial performance through the improvement of financial management processes, particularly financial transaction, cost recovery, and cost allocation processes. In addition, the Service is ensuring similar progress on electronic funds transfer payments and credit card payments. In FY 2001, the Service made 84% of its payments via electronic funds transfer, an 8% increase over FY 2000. The Service has achieved one of the highest on-time credit card payment records in the Department and the federal government as a whole.

**Budget and Performance Integration** - The Service has been making continuous progress in linking performance goals to program activities in our budget requests. As an initial step to integrate the Service's performance structure with the budget in FY 2001, we adopted a strategy of consolidating, aggregating or

disaggregating the budget program activities into component parts and applying performance goals and indicators to those parts. The second step to better link plans and budgets can be seen in our efforts to show the performance consequences of requested levels of incremental funding for each of the annual performance goals accompanying the budget requests. Finally, important for the linkage of budgetary resources to results to occur is the connection with the base line of Service operations.

This concludes my testimony. I will be pleased to answer your questions.

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