

PARTNERSHIP FOR AMERICA'S RESOURCES

Our Legacy for the 21st Century

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Executive Summary

- **The Partnership for America's Resources.** The Partnership for America's Resources (PAR) is dedicated to preserving and passing on to future generations a livable and living environment. PAR will preserve incomparable natural and historic resources – scenic vistas, healthy streams and rivers, and unique cultural resources – for the enjoyment of future generations. PAR will also restore and revitalize threatened and degraded landscapes – coastal environs, urban parks and historic districts, and open space surrounding population centers – to ensure a livable environment in the 21st Century. PAR will achieve this legacy by addressing two goals:
 - Protecting and restoring America's key legacy resources – natural, recreational, and historic; and
 - Advancing a national partnership with States, local governments, and the public to provide a natural resource legacy for future generations of Americans.
- **Background.**
 - **A Challenge:** As America has grown and prospered in the 20th Century, our capacity to influence and alter the environment has increased dramatically. Population has expanded continuously, contributing to dense urban centers and sprawling blankets of settlement. The demand for outdoor recreational opportunities has soared, as an expanding and active populace has discovered the physical and spiritual benefits of camping, hiking, and back country travel. The demand for natural resources has soared as well, as much of our growth has been fueled by the minerals, timber, and pasture that abound on our public lands. These are the traits of a vigorous society. Yet they present a significant challenge to sustaining a healthy living environment and preserving our natural and cultural resources.
 - **The Response:** In 1960's and 70's, Congress acted to protect and restore our natural and cultural resources by creating the Land and Water Conservation Fund, the Historic Preservation Fund, and the Abandoned Mine Reclamation Fund. These represented a commitment to preserve and restore our nation's resources. These three funds are financed by dedicated receipts, their permanent nature justified by the promise to the American public that this revenue would be dedicated and spent for special purposes – for the protection of habitat and recreational lands and resources, for restoration of important historical resources, and for restoration of lands and watersheds damaged by past coal extraction.

- **A Promise Unfulfilled:** Yet the unappropriated balances that have built up in these three funds exceed \$16 billion. These unspent dollars can be accounted for in lands not acquired and perhaps no longer of sufficient quality to be acquired; in lost and depleted species and habitats; in degraded streams and water quality; in decaying or lost historic structures and artifacts; in lost recreational opportunities and diminishing open space; and in scarred and unsafe landscapes and acidified streams associated with past coal mining that have yet to be reclaimed. In a very real sense, PAR can be seen as a proposal to make good on the billions of dollars in earmarked receipts deposited but not used to protect and restore the environment and historical resources.
- **The Opportunity.** At the outset of the 20th Century, Theodore Roosevelt created a magnificent legacy of National Parks, Refuges, Forests, and Monuments. At the outset of the next millennium, the Partnership for America's Resources would ensure a comparable legacy – a permanent, continuously expanding endowment of protected landscapes and greenspace; of restored historical sites and collections; of recovered species currently threatened, endangered, or depleted; of thriving non-game species and connected habitats; of restored riparian habitats and cleaner water; of more vibrant urban areas with recreational opportunity and restored historic districts. These categories of resources are all currently being lost or are deteriorating at alarming rates. PAR will turn that around.
- **The Proposal.** PAR will reinvigorate or initiate seven complementary, permanent funds specifically addressing the major conservation and restoration challenges that confront our nation on the cusp of the 21st Century. The seven funds, and their focus, are as follows:
 1. **The Land and Water Conservation Fund**, fully funded at \$900 million per year, to acquire and permanently protect key habitat and recreational lands through: a) Federal acquisition of lands for the National Park, Refuge and Forest systems and the public lands managed by the Bureau of Land Management (BLM), and b) State acquisition programs leveraged with cost-share requirements to address urban sprawl, greenspace, habitat protection and recreational needs of States and local governments and the people they serve.
 2. **A Habitat and Coastal Restoration Fund**, funded at \$1.2 billion per year, to: a) restore habitat on Federal lands -- parks, refuges, forests, BLM lands, and Indian lands held in trust by the United States; b) restore habitat in coastal areas through a program of leveraged grants to states and technical assistance; c) restore non-game species throughout the nation through a leveraged State formula grant program patterned in major part on the "Teaming With Wildlife" proposal; and d) protect and restore endangered species including Pacific Northwest salmon, wetlands, riparian areas and other depleted and degraded environmental resources through partnership programs with State and local governments and private land owners.

3. **The Historic Preservation Fund**, expanded to a total of \$300 million per year to cover historic resources on the four public lands systems, to greatly accelerate protection and restoration of the nation's deteriorating historic fabric including historical structures and objects through leveraged grants and direct Federal restoration expenditures.
4. **A Farmland Wildlife Protection Fund**, funded at \$100 million per year, to permanently protect key habitats on farmlands including wetlands and valuable wildlife habitat in riparian and flood-prone zones through acquisition of easements.
5. **The Urban Park and Recreation Restoration Fund**, reinitiated at \$150 million per year, to help restore and expand the park resources of urban areas - especially those in distressed areas - through a leveraged grant program.
6. **The Abandoned Mine Reclamation Fund**, fully funded under current authorizations to reach \$360 million per year within 5 years, to greatly accelerate the pace of restoration of lands seriously damaged by past coal mining activity.
7. **A Federal Lands Good Neighbors Fund** to fully fund the Payment in Lieu of Taxes (PILT) program and the National Wildlife Refuge Fund at their authorized levels to resolve a serious funding controversy with local governments that substantially compromises support for Federal lands management actions and acquisitions.

■ **The Rationale.**

- **A Fundamental Principle.** PAR uses dedicated revenues from depleting natural resources such as offshore oil and gas, onshore minerals revenues, and fees on private coal mining to invest in renewable resources -- a concept upon which, for instance, the Land and Water Conservation and Abandoned Mine Reclamation Funds were based long ago.
- **Improved Performance.** PAR builds largely on existing funds and authorizations to address these resource loss issues, and, in the main, does so within existing funding authorizations. At the same time, it does so with substantial restructuring and redirection to make the programs more effective in focusing on those resources most in need of protection and restoration and those actions where protection and restoration provide multiple national benefits and leverage Federal dollars with additional State, local and private financing. Where new funding mechanisms are required to address resource issues in a manner and at a level that will make a substantial difference in the quality of the American environment, such as would be the case with the Habitat and Coastal Restoration Fund and the Farmland Wildlife Protection Fund, they are proposed.

- **Accountability and National Goals.** Existing authorities are proposed to be substantially modified to better achieve their individual goals and the overall goals of the PAR initiative. Included in the PAR modifications is improved accountability through multi-year advance planning, Congressional review, and adjustment of program funding allocations within the funds, as well as features such as advance project selection to improve the long-term support for PAR initiatives.
- **An Investment in Resources.** PAR is almost entirely investment oriented. It specifically invests in protecting and restoring historic, environmental and recreational resources. It does not invest in expanded operation and maintenance programs or even in Federal recreation facilities such as visitor centers and roads. It is an initiative designed to address degraded and degrading natural, historic and recreational resources and to acquire such resources, where they are important, before they are further degraded or lost from the standpoint of their environmental and historic values.
- **The Legacy.** PAR is proposed as an investment in natural, recreational and historic resource protection and restoration rather than in operating programs and general use facilities. By providing permanent funding from dedicated revenues, it will provide a permanent legacy that grows each year as lands and resources are acquired or restored. We estimate that accomplishments that could be expected over the next decade alone from PAR include:
 - 5.5 million acres of lands acquired for permanent protection by State, local and Federal governments as parks, refuges, forests, wilderness areas, trails, wild and scenic rivers, and other recreational purposes, compared to approximately 7 million acres acquired under the Land and Water Conservation Fund in the past quarter century;
 - 2.5 million acres of wetlands and 9 million acres of upland habitat protected or restored, restoration of over 50,000 miles of streams, reopening of 20,000 miles of streams, and 40 million acres covered by Safe Harbor agreements, exclusive of accomplishments on Forest Service lands;
 - 4,500 National Landmarks, endangered historic battlefields, Federally-owned historic structures, and archaeological sites protected or restored; over 12,000 other historic buildings, sites, structures and collections protected or restored; and a nearly five-fold increase -- to about 220,000 per year -- of significant private historical properties protected each year;
 - 5 million acres of key farmland habitats including wetlands, forested areas, groves, and flood zones permanently protected;
 - 8,000 urban parks restored or created compared to 1,300 in the past two decades; and
 - 5,000 mine sites restored compared to 4,600 since program inception two decades ago.
- **The Financing.** All of the proposed funding mechanisms are based on existing receipt sources; the preponderant share in dollar terms represents current dedication of revenues to specific purposes, amounts which have historically not been appropriated in full. As a result, and adding the Reclamation Fund to the unappropriated balances of the LWCF, HPF, and AML funds, Interior's

dedicated revenue funds will have an unappropriated balance of approximately \$18 billion by the beginning of FY 2000. This unappropriated balance is projected to increase to \$28 billion within a decade. This large unappropriated balance represents a significant failure to honor the initial promise of the programs to dedicate specific sources of funds obtained from depletion of natural resources to meet long term environmental and historic preservation goals.

- **The Partnership for America's Resources** initiative is designed to remedy this as part of whatever new Federal budget resolution or Act is proposed by the Administration for the FY 2000 budget, without requiring new offsets, in recognition of the fact that the unappropriated balances of these funds represent an \$18 billion contribution to debt reduction over the past several decades.
- **Permanent Funding and Receipt Sources.** All programs in the Partnership for America's Resources will be based on permanent funds to provide a steady, reliable source of money for the legacy protection and restoration activities as long as needed during the 21st Century. Funding sources are identified in the following table.

Funding Sources for the Partnership for America's Resources Funds

Land and Water Conservation Fund	OCS Receipts
Habitat and Coastal Restoration Fund	OCS Receipts
Historic Preservation Fund	OCS Receipts
Farmland Wildlife Protection Fund	OCS Receipts
Urban Park & Recreation Recovery Fund	OCS Receipts
Abandoned Mine Reclamation Fund	Coal Mine Fees Fund Interest
Federal Lands Good Neighbors Fund	Surplus Mineral Lease Receipts Refuge Revenues OCS Oil and Gas Royalties

- The Presentation.** The Partnership for America's Resources proposal is introduced in concept in this presentation. The following seven sections present the concept and supporting information for each of the major funds identified previously. Under the heading, "Program Financing," a discussion of program financing concepts in the PAR proposal is provided. In addition to the basic concept, an alternative approach is identified. An appendix displays the fund balances and distributions for five dedicated receipt funds and projections of OCS revenues over the next decade. A budgetary summary of the PAR proposal is presented below, followed by a summary of the unappropriated balances at current service levels.

Proposed Partnership for America's Resources Funds (PAR) Compared with 1999 Funding (\$ millions)

	1999*	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land and Water Conservation Fund	329	900	900	900	900	900	900	900	900	900	900
Habitat & Coastal Restoration Fund	164	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Historic Preservation Fund	111	300	300	300	300	300	300	300	300	300	300
Farmland Wildlife Preservation Fund	0	100	100	100	100	100	100	100	100	100	100
Urban Park and Recreation Recovery Fund	2	150	150	150	150	150	150	150	150	150	150
Abandoned Mine Reclamation Fund	186	277	297	318	339	360	360	360	360	360	360
Federal Lands Good Neighbors Fund	142	291	300	309	319	328	338	348	359	369	380
Total	934	3,218	3,247	3,277	3,308	3,338	3,348	3,358	3,369	3,379	3,390

*Reflects appropriations from dedicated receipts as well as General Fund appropriations not currently categorized under the program headings, to provide comparability. Budget numbers in the 1999 column represent the FY 1999 President's Budget.

Unappropriated Dedicated Fund Balances (\$ millions)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land & Water Conservation Fund	12,424	12,980	13,482	13,984	14,486	14,988	15,490	15,992	16,494	16,996	17,498
Historic Preservation Fund	2,365	2,414	2,518	2,627	2,736	2,844	2,951	3,057	3,162	3,266	3,370
Abandoned Mine Reclamation Fund	1,501	1,629	1,768	1,914	2,064	2,219	2,384	2,562	2,751	2,951	3,151
Subtotal	16,290	17,023	17,768	18,525	19,286	20,051	20,825	21,611	22,407	23,213	24,019
Reclamation Fund	2,029	2,196	2,371	2,554	2,749	2,953	3,170	3,400	3,645	3,907	4,169
Total	18,319	19,219	20,139	21,079	22,035	23,004	23,995	25,011	26,052	27,120	28,188

NOTE: Budget numbers in the 1999 column represent the FY 1999 President's Budget. Subsequent budgets represent forecast based on *current* policy including outyear projections made by the Office of Management and Budget.

Land and Water Conservation Fund

Concept

- Fully fund and make permanent appropriations for the **Land and Water Conservation Fund (LWCF)** at the \$900 million level of receipts deposited to the fund each year to accelerate Federal land acquisition for National Parks, Wildlife Refuges and Forests, and high priority public lands areas, and to reinstate the State grant part of the program under substantially modified authorities that accelerate and leverage State and local acquisition and related habitat protection programs for protection of parklands, habitat, trails, and scenic landscapes.
- **State Grant Program.** The LWCF State grant program would be reinstated and substantially reconfigured to:
 - Emphasize acquisition of parklands, recreation areas, key habitats, scenic areas, and open space;
 - Shift one-third of the funding from the current formula-driven State funding distribution approach to a competitive grant program limited to acquisition only with National criteria and flexibility in weighting;
 - By the second year, manage the project selection process for grants to occur in advance of submitting the budget to Congress so that projects are known in advance and can be described at the time the budget is sent to Congress;
 - By the third year, add a three-year planning horizon to the project selection process, with encouragement for longer periods, to foster longer-range recreation and habitat conservation planning, and advance information to the public and Congress on acquisition priorities. The list could be modified in future years for good cause;
 - Provide Congress an opportunity to veto projects and substitute others that meet national criteria through the appropriations process;
 - Amend the requirement for State Recreation Plans to provide optional processes consisting of the current SCORP, a Strategic Outdoor Recreation Plan, or a State Action Agenda. The latter is envisioned as an Executive summarization and prioritization

of actions called for in other statewide plans inclusive of State Park Plans, habitat conservation plans, wetlands preservation plans as well as local park and recreation plans, among others;

- Acquisition could be accomplished in fee or by easement;
- Authorize the use of up to two (2) percent of the State Grant Program annual allotment for program administration purposes;
- Provide for the reimbursement of "incidental acquisition costs" inclusive of appraisals;
- Reaffirm the park protection and stewardship provision of section 6(f)(3) of the LWCF Act, as amended, as follows:
 1. Require that no prudent or feasible alternative exists to the taking of protected lands be fully documented before any conversion may be approved. Exceptions to this requirement would only be granted in those instances where abandonment is dictated by environmental contamination which endangers public health and safety for which feasible remedies are not available or due to changes in demographics whereby it can be conclusively demonstrated that the public need for the area is non-existent;
 2. In concert with the forward thinking policy that the monies derived through the depletion of a public non-renewable resource are to be used in protecting another public resource and in keeping with the spirit and intent of the LWCF Act that it is to be a value added program, ensure that the land to be reserved in perpetuity not only includes that being acquired, developed and/or rehabilitated but also the entire park, recreation/conservation area of which it is a part.
- Lower matching requirements (70 percent Federal — 30 percent State or local) for certain types of projects that serve multiple national goals including:
 - Acquisition of habitat and parkland in floodplains to preclude development, avoid emergency flood relief efforts and costs, and protect riverine species;
 - Acquisition of threatened national landmarks and lands within established boundaries of State/local components of Wild and Scenic Rivers, sites and segments of the National Trail System, or high value ecosystems abutting national parks or national wildlife refuges;
 - Land acquisition for protection of a Federally designated threatened or endangered species;

- Acquisition of shoreline areas (coastal and riparian) for parkland, wildlife habitat and public access, with emphasis on areas subject to flooding and severe erosion or protection from encroachment by development;
- Acquisition of wetlands [priority types as defined by U.S. Fish and Wildlife Service and/or in Wetlands Plan of SCORP (or its replacement, State Action Agenda or Strategic Outdoor Recreation Plan)];
- For **competitive grants**, require State endorsement of projects;
 - Allow States to pass through grants to be made to non-profit groups with the capability of managing lands in perpetuity;
 - Awards made under the national competitive State grants program would not be subject to any limitation on the maximum amount that may be given to an individual State in any one year.
- For **State Formula Grant** program:
 - Shift the current distribution formula to 30% shared equally among the States, the balance to be based on population. This compares to the current formula that allocates 40% of the first \$225 million to be shared equally by the States, dropping to 30% thereafter. This relates the allocation more closely to needs represented by population.
 - Add Indian Tribes (living on reservation land) and Alaska Native Village Corporations [as defined in section 3(j) of the Alaska Native Claims Settlement Act (43 USC 1602(j))] collectively as one (1) State for apportionment and related program purposes. It is envisioned that the Bureau of Indian Affairs would be responsible for grants **administration** and compliance consistent with requirements developed for the State Grant Program;
 - Provide the States with two (2) program administration options as follows:
 1. retention of administrative practices currently in effect whereby NPS approval is required for each separate grants project and any amendments thereto, or
 2. provide authority for the Secretary to apportion the monies through block grants and corresponding delegations of authority for the States to unilaterally approve projects and amendments thereto excepting conversion and public facility determinations. This option would only be granted to those States that demonstrated that they possessed the capability to perform;

- Add administrative grants to the list of eligible project types with the following stipulations:
 1. No more than ten (10) percent of the annual allotment (Federal share) can be used for an administrative grant, and
 2. when employed, the State waives its right to capturing indirect costs;
- As in the case of national competitive grants, lower the non-Federal matching requirements for certain types of acquisition projects clearly serving multiple national goals;
- Impose limitations on the types of outdoor recreation facility development. Assistance would be limited to basic recreation facilities excluding some of those that could be self supporting and/or competitive with the private sector. Exclusions would consist of:
 1. Golf courses including miniature golf, driving ranges, par 3, etc;
 2. Campgrounds (e.g., RV, cabins, group camping areas);
 3. Facilities to be used for semi-professional and professional sports and performing arts;
 4. Amphitheatres/Bandshells;
 5. Spectator facilities;
 6. Marinas;
 7. "Wave Tech" pools;
 8. Rifle/pistol/trap/skeet ranges;
 9. Rodeo facilities;
 10. Track facilities;
 11. Snow skiing slopes, T-bars, etc;
 12. Park maintenance facilities;
 13. Visitor Information Centers;
 14. Museums;
 15. Zoos and other facilities for the display of exotic and indigenous species of animals, fish or wildlife;
 16. Mobile recreation units;
 17. Exhibit facilities;
 18. Facilities for the propagation of fish, wildlife and plant species, e.g., fish hatcheries, pheasant/quail farms, and nurseries;

Sheltered facilities assistance would be limited to comfort stations, bathhouses, and interpretive centers (when developed for the purpose of interpreting natural features and processes of the area).

- **Federal Lands Program.** The Federal land acquisition aspect of the program will continue to finance acquisition of areas otherwise authorized for the National Park, Wildlife Refuge, and Forest systems and for the diverse public lands system of the Bureau of Land Management with the following modifications in approach:
 - The Administration will provide a multi-year list of acquisitions based on national criteria so that Congress and the public will know in advance the current acquisition priorities for the next five years.
 - Under the permanent appropriation concept envisioned, the funds will be allocated among the participatory bureaus. The amount of funding each Bureau receives will reflect what is needed to meet national goals based on scientific tools and models which reflect historical, cultural and recreational goals. The funds will not be held at the Departmental level, they will be available for use directly by each of the bureaus.
 - Acquisition staffs would have flexibility within the five-year program to shift acquisition priorities due to lack of willing sellers, lack of resolution on land prices, or unexpected development pressures that could drive up future prices or damage the values for which the land was being acquired. This would give acquisition staffs a substantial planning horizon, steady funding and timing flexibility for purchases, allowing the acquisition program to become much more efficient. Congress would be provided with reports that track such program changes.
 - Funding for the four bureaus could be used for management and equalization payments to process and complete land exchanges, subject to existing acquisition authorities, the Federal Lands Exchange Facilitation Act, and other existing exchange authorities.

Premises

- The **Land and Water Conservation Fund** has made an outstanding contribution to protecting America's land heritage and providing recreational opportunity over the past three and one-half decades, but has fallen far short of its early promise as the unappropriated balance in the fund has outpaced the portion of the fund actually used for land acquisition and recreational development. Of the \$22.7 billion deposited to the fund since 1964, approximately \$10.3 billion (including the FY 1999 Administration request) will have been appropriated through FY 1999, leaving an unappropriated balance of about \$12.4 billion.

- **The Partnership for America's Resources** assumes that this unappropriated balance, realistically, is no longer available and writes it off as a contribution to past deficit reduction in return for a guarantee, backed by permanent appropriation, that future LWCF fund receipts of \$900 million will be made available each year.
- **State Grant Program.** For the State grant program, originally conceived as comprising about 60 percent of the overall LWCF, only \$3.4 billion has actually been appropriated. Only token amounts have been appropriated since the early 1980s and no funds have been appropriated since 1995 other than a small amount for administering previous grants. This is over a \$10 billion loss to State and local recreation, habitat protection and development programs — potentially twice that counting matching requirements.
- Apart from the loss of land acquisition and recreational development, the appropriation history for the **State grant** program reflects a program that has lost its Congressional constituency and which needs to be significantly reconfigured so that:
 - Congress and the public know in advance what is proposed to be funded, and
 - the purposes to which the funds are to be put more closely reflect an appropriate alignment of Federal responsibilities compared to State and local responsibilities.
- Given the relatively poor appropriation performance of the past for the **State grant** program, relatively more emphasis should be placed on the State grant program than in the past. This emphasis on State and local acquisition funding:
 - Addresses needs for local land protection consistent with national objectives,
 - Helps get "buy-in" from State and local governments and private interests in the habitat protection and endangered species goals of the program by better assuring local support,
 - Helps reduce long-term Federal costs of acquisition through State and local matching.
 - Reduces long-term Federal operations and maintenance costs, and
 - Avoids, in part, the issue of "too much" Federal land, and pressure to add units to the National Park and Wildlife Refuge systems which can be managed effectively at the State or local level.

- **Cost Share Flexibility.** The lowered matching requirement for acquisition of certain lands including parklands and habitat in floodplains; habitat for endangered species and ecosystem-based multi-species conservation plan implementation; and coastal and riparian parkland and habitat reflects the National interest in avoiding the high costs and associated liabilities of coping with flood and coastal storm events, and of protecting and recovering certain species and habitat types that transcend local or State interest.
- **Federal Lands Program.** For the Federal lands acquisition program, generally conceived of as requiring at least 40 percent of the total LWCF funding, the roughly \$6.9 billion appropriated through FY 1999 is only about two-thirds the amount that should have been expected, and compares unfavorably to the current agenda for future acquisitions under existing authority which is probably in the \$10-12 billion range.
 - The acquisition agenda under currently authorized boundaries and priority lists where authorities are more generic should be addressed in a steady, well-managed manner with reasonable milestones, schedules, and levels of funding so that agencies, Congress, land owners and the public are clear on the agenda, ultimate land ownership is expeditiously resolved, and national interest areas are permanently protected.
 - Steady funding and flexibility afforded by permanent appropriations and multi-year schedules will improve the efficiency of acquisition programs.
 - Strategic thinking and national goals will be applied to determining the priorities in a national land acquisition program managed by each Bureau to meet its distinct mission and goals. Each Bureau will set priorities within the national framework, adopting common strategic planning methods: Areas targeted for broad, national goals might include the Southern California Desert, the South Florida Ecosystem and the Northern Forest.

Benefits

- **Federal Lands Program.** For the Federal lands acquisition program, benefits in terms of permanent land protection are clear. With proposed funding levels and subject to the availability of willing sellers:
 - All of the lands currently identified for acquisition within the authorized boundaries of National Parks other than Alaska could be acquired in the first decade of the 21st century.

- During that same decade, we will also make substantial progress from planned acquisitions on current priority lists for National Wildlife Refuges and special areas managed by the Bureau of Land Management, and probably complete those acquisitions by the end of the second decade.
- During the first two decades, we will purchase all significant California Desert inholdings and complete the acquisition of inholdings in all designated wilderness areas in the lower 48 States.
- Comparable progress will be made in acquiring key areas within the National Forests including, especially, those in the eastern U.S. where Federal ownership is about 30 percent of the lands within established boundaries, with the full acquisition agenda being completed by the end of the third decade.
- Acquisition within Alaska is more problematic due to uncertainties in land ownership stemming from the State and Alaska Native land selection process, but the Alaskan National Park lands acquisition program could probably be resolved within the first three decades of the century.
- The specific areas provided permanent protection among the national land systems reflect an honor roll of America's special places with high environmental, recreational and historic value. They range from San Diego National Wildlife Refuge and the California Desert to the Northern Forest and Acadia National Park; from Everglades and Cumberland Island to North Cascades; from the Upper Missouri National Wild and Scenic River Corridor to the King Range National Conservation Area; from Jean Lafitte to Voyageurs; and from Wilderness Areas to National Battlefields and Historic Sites.
- There is a finite amount of available land and cultural/historic sites. The Bureaus targeted for involvement in PAR are working to secure the best of what is left for future generations. Given the November 3, 1998 election results, with over \$3 billion nationally approved for green space and parklands, it is clear the American public values preservation of its resources for future generations. As Spotsylvania, VA County Supervisor Bill Jones said "...(T)he property comes off our tax rolls, so that costs us money, but the value of preserving it as open space overwhelms that..." (The Washington Post November 19, 1998)
- **State Grants Program.** In the State grant program specific areas to be acquired or developed and protected are determined by competitive grants. Due to the existing and proposed matching requirements, the Federal investment is multiplied by the amount contributed by State and local matching funds, thus resulting in increased purchasing power. Historically, the investment of federal dollars has resulted in a total contribution towards preservation in excess of \$6.4 billion, using the 50 percent match as a multiplier.

- There are clear indications that States and local jurisdictions have a large agenda of projects eligible for the State grant program. In 1995, the last time funding was appropriated for the State grants, there were 3,795 requests for assistance which totaled over \$600 million. The appropriation for that year was less than \$25 million. The number of project requests each year for the previous decade was about 3,000 and totaled \$350 to 600 million per year, while the typical appropriation was about \$25 million.
- The protection provided by Section 6(f) of the LWCF Act has resulted in a legacy of permanently available park and recreation facilities for the enjoyment of the citizens of the nation. These projects have also stimulated additional investment in many areas due to the certainty that operation and maintenance of the park and recreation areas will continue for the foreseeable future.
- The requirement for State planning efforts also produces benefits through the coordination of various governmental entities and private and non-profit groups.
- A few specific contributions that can be visualized, given current knowledge of State and local priorities, include:
 - Grant assistance to New York, Vermont, New Hampshire and Maine for protecting the Northern Forest;
 - Acceleration and more successful implementation of habitat conservation plans and multiple-species conservation programs in California;
 - Acquisition and permanent protection of habitat and potential parkland in floodplains in the central and upper Midwest;
 - Acceleration of wetlands and green-space protection in New Jersey;
 - Acceleration of land protection for the Everglades; and,
 - Acquisition of land for greenbelts near urban areas across America;
- The State grant aspect of the program would also reduce pressure for adding new Federal areas: reduce pressure on endangered, threatened, and declining species, and help accelerate their recovery. In the long-term, it would also help reduce flood damage and the costs of emergency flood and coastal storm protection and recovery efforts.

Additional Concept Details

■ State Grant Program:

- **Fund Distribution.** Two-thirds of the grant funding (i.e., \$300 million) would be distributed to States by formula grants using the existing LWCF formula which is based in part on population and in part on equal allocations to States. The remaining one-third would be awarded to States and, through States, to local governments and non-profit groups as competitive categorical grants. The competitive grants process would be developed along the lines of the Urban Park and Recreation Recovery Program with "weights" given to particular priorities (e.g., projects that avoid development of floodplains, avoid imminent threats of major damage to species or habitat, or connect isolated patches of habitat into a more protective whole). This approach would focus on the merits of the individual proposals, allow funding of larger acquisitions, and recognize the unevenness of need and opportunity among States in any one year. This has become particularly important as a number of philanthropists have been stepping forward to help fund major acquisitions where they see *their* donations leveraged. Donations for acquisition of the Sterling Forest are an example of this. Up to ten percent of the competitive grant monies made available annually will be set aside to fund emergency acquisitions of critical land resources.
- **Partnerships.** The new concept would also focus on partnerships among governments (State, local and Federal) and between non-profits and state governments and would, where possible, focus on preserving key habitats and open space at a landscape/ecosystem level and scenic resources at the district or landscape level. This would include coordination of acquisitions among governments to link up existing units into larger protected areas and would include increased emphasis on acquisition of easements for habitat conservation.
- **Recreation Facilities.** The availability of money for limited development would encourage State and local governments to more closely define the needs of their populations for basic recreation facilities. Program regulations would clearly establish those categories of development eligible through the program
- **Competitive Grant Emphasis Categories.** The competitive grant program would be used to solicit and evaluate projects addressing high priority objectives through use of grant categories and "weighting" of criteria. Flexibility would be retained to adjust the weights and categories of funding availability over time. Specific emphases under consideration at this point include:
 - Habitat and parkland in floodplains;

- Establishment and augmentation of greenbelts near urban areas;
 - Implementation of Conservation Plans and Multiple-Species Conservation plans, especially where they are being done at the ecosystem level;
 - Acquisition of critical habitat for nationally designated endangered and threatened species;
 - Acquisition of critical wetlands and coastal resources; and
 - Connections with and protection of resources contiguous to (or non-Federal components of) National natural resource areas/Park System.
- **Endangered Species.** The early stress on endangered species recovery in the competitive grant program reflected above would enable significant expansion of Administration initiatives to cooperate with units of government and landowners in conserving species habitat. For example, the use of State-mediated Habitat Conservation Plans which are now in process in several States could become widespread with Federal financial encouragement. Since States would be able to use grants to fund the acquisition of sensitive habitat areas identified under the Plans. These types of cooperative approaches would reduce conflicts associated with conserving listed species and reduce the need to list other species in the future.
- **Federal Land Acquisition Program:**
 - **Five-Year Budget Plans.** The land acquisition budget will be presented to Congress in five-year increments. This ties into the strategic planning horizon under the Government Performance and Results Act (GPRA) and provides more flexibility in acquisition management. Under the envisioned budget implementation plan, it will help avoid reprogrammings, facilitate fuller use of available annual funding, and better identify for the public the lands scheduled to be acquired, including those in which they have an interest.
 - **Flexible Use of Funds.** If funds could not be used in any one year at a particular unit due to lack of willing sellers or price disputes, acquisitions could then be made from the list for the subsequent year. If a parcel were unexpectedly subjected to development that would diminish its environmental or historical value if not immediately acquired, funds from a unit on the list could be made available for its acquisition so long as the threatened site was on the five-year list. There is always the possibility

that an opportunity to acquire interest in lands previously thought unobtainable will occur; or a threat to areas thought to be inviolate will manifest itself. There must always be the opportunity to adjust priorities to account for the current situation at hand. In these cases, the standard reprogramming guidelines would be followed.

- **Strategic Plans.** As a part of the **Partnership for America's Resources**, consideration will be given to preparation of a special, cross-cutting five-year strategic plan for land acquisition programs of the four bureaus (Bureau of Land Management, Fish and Wildlife Service, National Park Service and Forest Service).
 - The plan would tie into the bureau's strategic plans prepared in the future under the Government Performance and Results Act.
 - The strategic plans would include data on acquisitions within established boundaries to be accomplished after the five-year period.
 - Joint strategic planning would provide an improved opportunity to coordinate land acquisitions at a regional level so that gaps could be identified and acquisitions planned that made the most sense on the scale of ecosystems and landscapes.
 - State-by-State information on planned acquisition strategies will be shared among the Bureaus to encourage a national strategy for protection of resources. This same information will be used to encourage partnerships among Federal and non-Federal groups, such as State and local governments, local interest groups, and non-profit organizations, so that all interested parties have the ability to work together toward a common goal.
 - A set of national criteria, which address the many needs of the American public and the diverse missions involved in land acquisition and management, will be developed. This priority setting system would incorporate scientific tools and cultural and historical goals. Plans emerging from this national system will take into account State and local land acquisition planning, work that has been completed on "gap" analyses and available scientific study of habitat needs. The National Science Foundation called for such strategic planning for Federal land acquisitions, and the General Accounting Office generally has called for more cross-cutting strategic planning under GPRA. This is also consistent with the Secretary's ecosystem management approach.

Funding

- **Total Funding.** The permanent appropriation for the LWCF would be \$900 million per year with that amount divided equally between the State Grant and Federal Lands Acquisition Programs.
 - State grants would be \$450 million per year.
 - Federal funding would be \$450 million per year.
- **State Grant Funding.** In the second year and thereafter, one-third of the funding would be reserved for competitive grants as described previously with the balance of two-thirds of the funding allocated to States using the modified formula which is based, in part, on equal allocations among the States, and on population.
- **Federal Acquisition Funding.** Allocations among Federal agencies will be determined as the dialogue on a national priority system and criteria continues. The Secretaries of Interior and Agriculture, or their designees, will explore appropriate methodologies to allocate the funds. Great consideration will be given to the use of scientific methods in establishing priorities.
- **Permanent Appropriation.** One of the important concepts is that the Land and Water Conservation Fund would be made permanent so that it is not subject to the vagaries of the annual appropriations process. The original "promise" of the Land and Water Conservation Fund was that \$900 million would be available each year; in practice, the amount has been much less, resulting in about \$12.4 billion accumulated in the fund as an unappropriated balance. As part of the proposal, this unappropriated balance would be rescinded.

Proposed Distribution from the Land and Water Conservation Fund (\$ millions)

Distribution	1999	2000	2001	2002	2003	2004-2009
Grants Program	1	450	450	450	450	450
Federal Land Acquisition	327	450	450	450	450	450
Total	328	900	900	900	900	900

NOTE: Budget numbers in the 1999 column represent the enacted-to-date amounts.

Concept Background

- Due in large part to the recommendations of the Outdoor Recreation Resources Review Commission, the Land and Water Conservation Fund was initially established in 1964 to provide funding for State grants for recreational planning, development, and land acquisition, and for financing Federal land acquisitions for the National Park Service, Forest Service, Fish and Wildlife Service, and Bureau of Land Management. It was expanded to its current configuration in 1978 with \$900 million per year, largely from Outer Continental Shelf oil and gas revenues, deposited to the fund. Small deposits are also made from sales of surplus Federal real property and from motorboat fuel taxes.
- Annual appropriations are required to actually use the revenues deposited to the fund. As indicated previously, these appropriations have been much lower than the revenues deposited to the fund.
- Accomplishments to date, through both the Federal and State sides of the LWCF, include the acquisition of nearly 7 million acres of recreation lands and habitat and development of more than 37,000 parks and recreation projects. These have ranged from playgrounds and ballfields to national historic sites, scenic trails and nature reserves.

Habitat and Coastal Restoration Fund

Concept

The Habitat and Coastal Restoration Fund (HCRF) is proposed to help restore natural resource productivity on America's lands and watersheds that have become degraded as a result of man's activities, with a focus on restoring these areas for productive use for fish and wildlife habitat and human recreational use.

- The HCRF is proposed as a single fund financed from OCS receipts in which funds will be allocated among Federal, State, and public-private partnership components:
 - A **Non-Game State Wildlife Conservation Grants** component will provide wildlife conservation grants to States to undertake more comprehensive wildlife protection and restoration than is possible with current funding available to State fish and wildlife agencies. Traditional State wildlife programs have focused on the narrow range of wildlife species that are hunted or fished because State agencies have been funded largely from hunting and fishing licenses and taxes on hunting and fishing gear. The result has been little attention to song birds and other non-game species and their habitats that are now frequently depleted, threatened, or endangered.
 - A **Coastal Restoration Partnerships** component will provide formula grants to coastal States for restoration of coastal and estuarine habitat resources, will assist coastal States affected by OCS leasing in addressing impacts associated with oil and gas drilling and production operations, and will provide technical and financial assistance through partnerships with Federal agencies, States, and local groups to restore habitat. Grants management, technical assistance leading to cooperative partnerships with States, local governments, other Federal agencies and private landowners, and small projects grants will be financed with a small portion (6-7 percent) of the formula grant funding.
 - A **Wildlife and Endangered Species Partnership** component will restore a broad range of habitats primarily on private lands under voluntary agreements with landowners, and on Federal or State lands under cost-sharing partnership agreements among two or more participants. Special emphasis will be given to endangered species, including a level of funding dedicated to competitive grants. During the first five years of the program, a portion of the competitive grants

will be targeted to resolving Pacific Northwest salmon issues. Other funds will be devoted to wetlands and waterfowl, and to other priority wildlife on private lands.

- A **Federal Lands Restoration Program** component will restore degraded habitats and lands with high resource value or potential in National Parks, National Wildlife Refuges, National Forests, public lands administered by the Bureau of Land Management, and Indian tribal lands held in trust by the United States.
- The HCRF is proposed to be made permanent in order to provide a secure, steady source of funds because habitat and wildlife restoration requires, in most cases, multi-year efforts.
- Areas to be restored are habitats that have been damaged by mining, roads, dams, canals, wetland drainage, exotic plant species, contamination, or intensive human uses, and have lost much of their habitat function as a result. Areas targeted for restoration include: riparian plant communities, riverine habitats, estuarine areas, flood plain habitats, wetlands, coastal environments, and estuaries.

Premises

- Many land areas, waters, estuaries, coastal environments, and other natural resources across the Nation are stressed from development, population pressures, introduction of invasive alien or non-native plant species, and human uses and misuses, that result in degraded wildlife habitats and species depletion. The problem does not exist only on Federal lands, but broadly applies to all ownerships. The responsibility for protecting wildlife and their habitats rests not only with Federal land managing agencies, but with all ownerships. This proposal recognizes the shared responsibility for habitat degradation, and the shared opportunity for habitat protection and restoration.
- Funding a Non-Game State Wildlife Conservation Grants program managed by the States serves multiple useful purposes including enlisting State fish and wildlife agencies in protecting and enhancing non-game species, thereby expanding the base of professional wildlife managers and scientists addressing non-game wildlife problems; adding different perspectives in developing initiatives for protection and restoration of non-game species; stretching Federal funds through matching requirements, maintaining program focus at the local level where wildlife specialists may be more knowledgeable about local wildlife and patterns of public use; and avoiding large Federal staffing requirements.

- The State program would use an efficient mechanism of grants to State fish and wildlife agencies patterned on the successful and long-standing Pittman-Robertson and Dingell-Johnson programs that address species that are fished for or hunted.
- States would be given substantial flexibility to target priority habitat concerns. These priorities can include national concerns and priorities as well, by making a small portion of the funding available for competitive grants, and by limiting its recreational component to wildlife-associated recreation, such as Watchable Wildlife viewing sites, additional canoe/paddling access sites, and birding trails. The "Teaming with Wildlife" (TWW) approach, in trying to give States maximum flexibility in use of funds, may have provided too diffuse an approach.
- Financing the program from OCS revenues, as proposed by Congressmen Dingell and Young, Landrieu, and others, is based on the assumption that the true beneficiaries of wildlife conservation constitute a broad spectrum of Americans that enjoy the environmental benefits of the program, whether or not they would purchase the recreation equipment that would be taxed under the TWW proposal.
- The Congressional approach to financing the program as a permanent appropriation, as is done for the Pittman-Robertson and Dingell-Johnson programs, provides a steadier and more assured financing mechanism and reduces controversy surrounding expenditures.
- **The Coastal Restoration Partnerships** component recognizes that coastal and estuarine environments are under enormous stress from human activities. Approximately fifty percent of the Nation's human population lives within 50 miles of the coast. The consequent development pressures have had devastating consequences for wildlife and their habitats. This component also finds that, while the OCS oil and gas resources belong not to individual States but to all the States of the Nation, certain coastal States do suffer impacts resulting from oil and gas drilling and from production and refining activities. The OCS impact assistance program recognizes these impacts.
- **The Wildlife and Endangered Species Partnerships** component is based in part on the fact that eighty percent of the Nation's listed threatened or endangered species occur on private lands. Without active involvement of private landowners in the recovery of these species, very few will reach recovery. The Wildlife and Endangered Species Partnerships component is also based on the popularity of the voluntary, small but highly successful, Partners for Fish and Wildlife program that provides technical and financial assistance to private landowners, other Federal agencies, State and local governments, and a variety of other

conservation partners. It also is intended to provide a mechanism for funding efforts leading to recovery of endangered species outside the regulatory atmosphere that so often characterizes endangered species activities.

- **The Federal Lands Restoration Program** component of the Habitat and Coastal Restoration Fund is based on findings that many lands managed by or under the trust responsibility of the Departments of the Interior and Agriculture are in a degraded state and need to be improved either by on-site restoration and management or by off-site programs designed to replace the damaged resources. Biological integrity and productivity would be enhanced by improving existing habitat, and recreational opportunities, health, and public safety would be improved as well. A sustained approach to cleanup and restoration needs to be implemented to replace the current fragmented and severely under-funded approach. A more disciplined and organized program will enable the Federal land managing agencies to function not only as more responsive partners, but also as better conservators of those resources entrusted to their stewardship.

Benefits

- **Ecosystem Benefits.** More functional ecosystems will supply the needs for a diverse wild flora and fauna, clean water, productive coastal and estuarine environments, and renewable resources for a variety of uses, including threatened and endangered species.
- **Cost Saving.** This proposal recognizes that improvements in biological integrity and productivity produce net gains in habitat function and value at a price that, in many instances, is more cost-effective than acquiring additional habitat.
 - Some of the lands targeted under this proposal will result in significant costs to the taxpayer if they are not restored. For example, on large areas of public lands, native vegetation is being replaced by monoculture stands of cheat grass, an invader that not only eliminates habitat for deer, grouse, and other important species, but that also increases the likelihood of massive fires that affect both public lands and private property.
 - By channeling the non-game wildlife funding through existing programs in the States, and primarily through formula grants based on wildlife-related criteria, there will be no need for buildup of bureaucratic structures, either at the Federal or State levels.
- **Public Recreation.** Viable and productive ecosystems will result in better recreational hunting, fishing, water sports, and wildlife viewing opportunities.

- **Non-Game Wildlife.** Most of the programs will benefit non-game wildlife and their habitats. As a group, these species tend to be forgotten in public wildlife programs, since much of the funding is channeled into species that have a more direct public benefit, such as hunted species, or the so-called "charismatic megafauna" — those large and attractive species to which the public can easily identify. Benefits in terms of non-game species protection and restoration are seldom exclusive; broader environmental benefits would be expected to accrue in terms of improved habitat for game species, open space, biological diversity, and watershed protection, for instance. Those States without substantial non-game species programs would gain them; others would be expanded. This would inherently broaden the scope and vision of the State agencies in addressing non-game wildlife.
- The existence of the competitive grant program would add to the focus on species targeted for special protection and enhancement, including endangered species, and speed their recovery.

Concept Details

- **Non-Game State Wildlife Conservation Grants Concept.** The non-game wildlife program is patterned, generally, on the "Teaming With Wildlife" (TWW) coalition's proposal, but with important modifications. The original **Teaming With Wildlife** proposal would:
 - Institute a tax on certain recreational gear and products not currently taxed under other wildlife programs that focus on hunting and fishing gear. Taxable items under the TWW proposal included, among other things, outdoor recreation equipment such as backpacks, tents, canoes, climbing equipment, hiking boots, and ski equipment, as well as field guides, wild bird seed, binoculars, cameras, film, and recreational vehicles.
 - Use the revenues, estimated at about \$350 million per year, for a program of formula-driven matching grants (75 percent Federal, 25 percent State and local) to State fish and wildlife departments or groups designated by them, for conservation and education programs and projects principally for non-game species, and for fish and wildlife-associated outdoor recreation programs and projects which can include projects associated with canoeing, hiking, nature photography, bird watching, mountain biking, and backyard wildlife enjoyment.
 - Require a State plan, approved by the Fish and Wildlife Service, for each State that, among other things, provides for a State program of surveys of non-game fish, wildlife and habitat; problem identification; and remediation action development.

- The grant mechanism would be patterned on the Pittman-Robertson, Dingell-Johnson and Wallop-Breaux programs for formula grants to State fish and wildlife agencies for fish and game programs with minimal Federal guidance or priority setting.
- The formula for distribution provides a small set-aside for territories and the District of Columbia, and apportions the balance to the States using a formula weighted one-third on geographic area and two-thirds on population, but with a minimum to any State of one-half of one percent and a cap of five percent.
- Money deposited to the fund established by the legislation would be subject to appropriation.
- Unexpended balances would be invested in interest-bearing obligations of the United States with the interest added to the amount available for distribution to the States.
- Up to six percent of the fund could be used by the Fish and Wildlife Service for administration of the program, from which approximately two percent of the amount appropriated could be used by the Secretary for special projects, approved by a majority of the States, which provide benefits at the international, national or broad geographic level.
- Legislation sponsored by Congressmen Dingell, Young and others would incorporate a similar proposal, but would be financed, not by taxes, but from 10 percent of Federal outer continental shelf oil and gas leasing revenues. This legislative proposal, however, covers all species, not just those classified as "non-game." Using current projections, this would range from about \$350 to \$460 million per year over the next decade. This proposal would provide these amounts for a TWW-type of program, distributed to States through the Federal Aid in Wildlife Restoration Fund, plus 27 percent of OCS revenues for a program of OCS revenue sharing with coastal States.
- A similar but not identical proposal by Senator Landrieu would also provide 10 percent of OCS revenues to be distributed to States by formula for non-game species conservation programs and wildlife dependent recreation programs, plus 27 percent of OCS revenues for a program of OCS revenue sharing with coastal States. Though the Dingell-Young and Landrieu bills are identical on the TWW-type and OCS revenue sharing funding levels, they differ in other ways not germane to the Habitat and Coastal Restoration Fund.
- **The Non-Game State Wildlife Conservation Grants Program** under the Habitat and Coastal Restoration Fund proposal would modify the main features of the Teaming With Wildlife proposal. The State Grants program would:

- Clarify the definition of wildlife in a way that limits use of the funds to non-game species of wild fauna and flora, including fish, invertebrates, and plants.
- Distribute the funds among States based on a distribution formula involving a ratio of one-third land area and two-thirds human population, with no State being apportioned less than 1 percent nor more than 5 percent, and with the territories and District of Columbia receiving a specified portion of 1 percent.
- Limit recreation expenditures more tightly to wildlife-dependent recreation, unlike the TWW proposal, which seems somewhat open-ended and appears to allow funds to be used for recreation purposes related only tangentially to the central goal of protecting non-game wildlife (i.e., mountain biking). The intent is to focus the program on non-game fish and wildlife protection and restoration rather than on broader, general outdoor recreation programs.
- Allow the Secretary of the Interior to use up to 8 percent of the fund for execution and administration of the grants program and for competitive grants.
- Require a non-Federal match of 25 percent, except that in the first few years a 10 percent match may be allowed to accommodate States in developing full matching capability for these new monies.
- Finance the program from OCS revenues. While the substantive aspects of the TWW proposal have substantial merit, its proposed financing through a new tax is strongly opposed by a number of the larger trade associations representing industries that would be taxed. Enactment of the proposal with a new tax appears very unlikely. Both the Dingell/Young and Landrieu proposals drop the new tax idea and would be funded from OCS revenues.
- Make the appropriation permanent.
- **The Non-Game State Wildlife Conservation Grants Program** would continue a number of other concepts in the Teaming With Wildlife proposal such as:
 - The requirement that State agencies assure coordination of the State plan and subsequent programs with programs of State and local agencies;
 - Public participation in the development, revision, implementation and periodic review of the State program.

- The requirement for coordination of the State plan and subsequent projects and programs with Federal agencies; and
- The requirement for the Secretary of the Interior to report to Congress every three years on the results of the program and ways to improve it.

- **Coastal Restoration Partnerships**

The Coastal Restoration Partnership component of the Habitat and Coastal Restoration Fund is focused on restoring fragile coastal areas and to stop degradation of these areas. These partnerships include:

- **Coastal Conservation Grants to States. (\$280 million)**
 - Provides grants to coastal States for restoration and rehabilitation of coastal regions.
 - Distributes the funds among coastal States based on coastal county population and mileage of coastline, with States receiving no more than 5 percent and no less than 1 percent of the funds each year.
 - The money from these grants would be used on the restoration and protection of fish spawning habitat; improvement of fish passage including that for anadromous fish throughout their freshwater habitat; habitat restoration and protection for coastal wetlands, riparian zones, and coral reefs; removal of invasive species; estuarine restoration; and intergovernmental coordination and applied research related to the above activities.
- **Coastal Restoration Partnerships. (\$20 million)**
 - Administered through the Coastal Program of the Fish and Wildlife Service.
 - Partners with other agencies, governments, and entities to restore coastal wetlands, coastal uplands, and riparian zones, and to remove barriers to fish passage in coastal watersheds and estuaries, removal of invasive alien or non-native species.
 - Funding will allow the Fish and Wildlife Service to control erosion and restore important waterbird habitat, restore circulation and salinity regimes to reef habitats and secondary embayments, control predators, protect

shorelines at numerous active and abandoned waterbird rookeries, restore seagrass that is critical to improving water quality, restore the ecological vitality of mangrove swamps, and restore coastal nesting islands and wetlands that are essential to colonial nesting or migratory bird species. Specific accomplishments of the Partnership for America's Resources will include:

- Reintroduction of tidal flow into formerly-diked tidelands to re-establish salt marsh habitat important to fish and wildlife resources in San Francisco Bay;
- Restoration of Atlantic white cedar in forested wetlands in North Carolina in partnership with the Environmental Protection Agency, timber and paper companies, and academic institutions;
- Restoration of coastal prairie grasslands in Texas, benefitting many endangered and threatened species such as sea turtles, falcons, piping plover, brown pelicans, and whooping cranes;
- Restoration of coastal sandplain habitat in southern New England
- Riparian restoration in the Chesapeake Bay watershed to improve habitat and water quality.

In addition, funding will allow the Fish and Wildlife Service to expand its Coastal program to significant coastal areas not currently receiving program funds, and would provide full coverage of the Nation's coasts.

■ **OCS Impact Assistance (\$100 million)**

The Department recognizes that States which have offshore oil and gas drilling and production incur particular impacts as a result of these activities. The Habitat and Coastal Restoration Fund addresses this issue by providing \$100 million per year to these States for the following activities:

- Addressing impacts from OCS activities on air quality, water quality, fish and wildlife, wetlands or other coastal resources, including shoreline protection and coastal restoration;
- Administrative costs of the program;
- Uses related to the Outer Continental Shelf Lands Act; and
- Mitigating other impacts of Outer Continental Shelf activities, including providing onshore infrastructure and meeting public service needs.
- The distribution of these funds will be based on a "snapshot" allocation with 30% based on sales in the five year schedule and existing leases and 70% based on Barrels of Oil Equivalent (BOE) production from OCS.

- The Secretary of the Interior would review the allocation five years after enactment and make the necessary adjustments based on new planning and production data.

- **Wildlife and Endangered Species Partnerships**

The **Wildlife and Endangered Species Partnership** grants component is aimed at restoring a broad range of habitats primarily on private lands with \$150 million dedicated to two categories of grants. The first category involves \$100 million for a landowner incentive program for protection and recovery of endangered species including, during the first five years, an earmarked designation of \$40 million annually for west coast States to address recovery of endangered Pacific Northwest salmon. The remaining \$60 million of the endangered species grant money would aid in establishing Safe Harbor Agreements, Habitat Conservation Plan land acquisition, and Candidate Conservation Agreements throughout the country. After the first five years, the \$40 million for Pacific Northwest salmon would be used flexibly to aid in major recovery efforts or in the same manner as the \$60 million share. The balance of \$50 million will provide seed-money grants and technical assistance for restoration of habitat on other private lands not specifically directed to endangered species, including wetlands partnerships in designated joint-venture areas, and on other private lands where assistance is requested by landowners. It is expected that matching requirements for these two components would be kept flexible to take advantage of leveraging opportunities, while being sensitive to the size of the restoration opportunity and the relative conditions of the lands or species in question.

- **Endangered Species Act Landowner Incentive Program.** The Fish and Wildlife Service will, under this program, work in cooperation with State, local, and private landowner partners to deliver regulatory assurances and financial incentives to landowners to foster habitat restoration and conservation for federal trust species of fish, wildlife and plants, especially endangered species. There will be three main components to this program: Safe Harbor agreements, Habitat Conservation Plan land acquisition, and Candidate Conservation Agreements with Assurances. The Safe Harbor incentive program and the Candidate Conservation Agreement with Assurances program provide an impetus for landowners to aid in habitat restoration and species recovery. In addition, the participating landowners get assurances that they will not incur a regulatory burden by encouraging listed species to inhabit private property. Funding will be used to provide technical assistance to landowners during the development of Safe Harbor agreements and Candidate Conservation agreements, to assist the landowners in implementing the agreements, and to monitor the effectiveness of the agreements after they are implemented. Increased awareness and the No Surprises Rule have resulted in rapidly-expanding demands for habitat conservation plans. Habitat Conservation Plan land acquisition grants will help many State and local efforts to implement HCPs. The funded State, territorial, and local government land acquisition will supplement, but not supplant, the private and local government responsibility that is part of the HCP process.

- **Pacific Northwest Salmon Assistance.** The Fish and Wildlife Service will provide \$40 million annually over a five year period to States for assisting in the recovery of endangered Pacific Northwest salmon. These States will be encouraged to use the money as leverage for other funding, such as through matching grants to local entities. In addition, the funds can be used for a variety of activities related to salmon recovery, including habitat restoration, water quality improvement, and technical assistance. The use of the funds should focus on activities that will have a long-term benefit, not on operation and maintenance of facilities or programs that support them.

- **Habitat Restoration on Private Lands.** The Fish and Wildlife Service will continue to work with private landowners and other conservation partners to implement voluntary habitat restoration projects on private lands to benefit Federal trust species. The program will remain "simple" with regard to paperwork, cost-effective with regard to project implementation, and technically state-of-the-science. Funds will be leveraged to maximize the conservation benefits. Projects must provide significant conservation benefits, be voluntary, and provide measurable improvements to the quantity or quality of habitats. Emphasis will be placed on projects that are interdisciplinary in their approach to solutions, improve water quality, resolve problems that imperil watersheds, benefit migratory birds and candidates or listed threatened and endangered species, reduce flooding and the impacts of flooding, provide improved habitat or access for interjurisdictional or anadromous fish, and leverage funds and resources. The private land habitat restoration effort will be accomplished through expansion of existing programs.

- **The Partners for Fish and Wildlife Program** of the Fish and Wildlife Service joins forces with conservation partners to implement habitat restoration on private lands through voluntary agreements with landowners. The Partners for Fish and Wildlife program is a voluntary, small but highly successful, fish and wildlife habitat restoration program that provides technical and financial assistance to private landowners. The program combines the resources of other Federal agencies, State and local governments, and a variety of other conservation partners and focuses those resources on habitat restoration. The program is extremely popular with private landowners, and the Service has a waiting list of over 2,000 private landowners interested in participating in the program. Most of the funds go to on-the-ground improvements, such as constructing small dikes or plugging drainage ditches and tiles to restore degraded wetlands, planting and seeding native vegetation, fencing to exclude livestock from stream and riparian areas, and recontouring stream courses and streambeds. Approximately \$17 million of the program's FY 1999 President's Budget of \$27 million is used for voluntary agreements for habitat restoration on private lands. Under this proposal, the Partners for Fish and Wildlife Program will, in ten years, restore 443,000 acres of wetlands (of which 88,000 acres will contribute toward the

Administration's goal of 100,000 acre annual net gain), 683,000 acres of native grass and prairie, and 4,000 miles of riparian and instream habitat.

- In addition, under the authority of the North American Wetlands Conservation Act, the Fish and Wildlife Service builds voluntary and non-regulated partnerships across special interest lines to achieve common goals of land and water conservation, water quality, wildlife habitat, public recreation, and economic benefits. The purpose of the Act is to encourage the formation of public-private partnerships "to conserve wetland ecosystems and waterfowl and the other migratory birds and fish and wildlife that depend upon such habitats" throughout the continent. Partners match Federal funds with non-Federal funds and in-kind services. For projects in the United States, at least a 50 percent match is required. Funding is aimed at achieving on-the-ground improvements to revitalize degraded wetlands and re-establish historical wetlands. Whether funding is applied to private, State, or Federal lands, matching funding is entirely non-Federal and on average exceeds Federal funding three-to-one. The demand for habitat restoration under this program far exceeds the supply of funding. For example, in 1997, there were 535 proposals for restoration and acquisition projects totaling \$268 million; the program has funded 258 projects totaling \$145 million since 1991. About half of the appropriated funding for the North American Wetlands Conservation Plan, about \$7.5 million of the FY 1999 President's Budget of \$15 million, goes to projects in the United States. This proposal would expand the number of habitat restoration projects in the United States.

- **Habitat Restoration on Federal Lands**

This portion of the Habitat and Coastal Restoration Fund is primarily related to the lands and programs in the National Parks, National Wildlife Refuges, National Forests, public lands under management of the Bureau of Land Management, and Indian Reservations and tribal lands. The primary program elements are as follows:

- **Restoration in the National Parks**

More than 315,000 acres of lands managed by the National Park Service are damaged as a result of roads, dams, canals, mineral developments, campgrounds, and facilities not needed for Park management. This disturbance results in habitat loss, erosion, sedimentation, poor water quality, diminished water quantity, and visual scars. Some habitats and resources have become degraded because of inadequate water availability. In addition, millions of acres are invaded by exotic plant species, many of which require active restoration to control spreading populations. More than 200 parks

have identified invasive species as a high priority resource management need. Invasive species are the most frequently identified resource management threat to the natural and cultural resources of the National Park System, causing such impacts as degradation of wildlife habitat, interbreeding with native species, alteration of natural fire regimes, and increased soil erosion. The National Park Service has documented unfunded natural resource mitigation needs totaling \$83 million, but the total need to restore damaged habitats is much greater. Project funding will be used for on-the-ground efforts, including control of invasive plant species, returning once-used campgrounds, roads, mineral developments, and other areas to natural habitat conditions, and construction and vegetation planting to control erosion.

- **Restoration on National Wildlife Refuges**

The National Refuge System is unmatched in capabilities to restore degraded lands to productive fish and wildlife habitats. Established to conserve and manage fish and wildlife, these lands encompass some of the most diverse and unique fish and wildlife habitat in the country. However, many refuges were degraded prior to Fish and Wildlife Service management by activities such as wetland drainage, farming, and timber harvest. In addition, invasive plants and animals and impacts of outside activities that result in declining water quality and quantity and similar environmental degradation are affecting many refuges. Improving refuge habitats will make these lands much more productive for fish and wildlife and will have secondary benefits of improved water quality, reduced soil erosion, and reduced flood damages. Restoration projects on Refuges offer the added benefit of improving opportunities for visitors to observe and enjoy wildlife. About 250,000 acres of new lands are currently being added to the Refuge system annually through a combination of donations, purchase, and transfer. Many of these lands include habitats that are in need of habitat restoration and improvement to provide habitats most advantageous to wildlife. Restoring habitats at the earliest possible opportunity can often provide cost efficiencies because inattention may result in establishment of invasive exotic plants that would be costly to remove.

The Fish and Wildlife Service has identified restoration needs totaling approximately \$500 million for lands in existing ownership. Project funding will be used for on-the-ground projects to restore wetland and upland habitats, enhance and repair water level management facilities to enhance water levels in wetlands, replant native species and control invasive plant species, manage water rights integral to habitat restoration and protection, and construct and repair fencing that is used to exclude invasive animal species from protected habitats.

- **Restoration in the National Forests**

The Forest Service conducts restoration of habitats under a variety of programs. Those included in the Habitat and Coastal Restoration Fund include: prevention and suppression of damaging insect and disease outbreaks and of invasive weeds; protection and improvement of species habitats to maintain healthy populations of all terrestrial wildlife; protection and restoration of inland streams and lakes and the fish and other aquatic life that they support; protection and improvement of habitats to achieve recovery goals for threatened and endangered animals and plants; bringing watersheds back to a fully productive level and ensuring their continued productivity.

The Forest Service manages habitat for over 280 threatened and endangered species, as well as over 2,500 species identified as sensitive by regional foresters either on Forest Service lands or on lands potentially impacted by Forest Service activities. The Forest Service has identified an annual need for approximately \$83 million in wildlife habitat improvement and \$19.5 million for inland fisheries habitat improvement.

- **Restoration on the Public Lands.** Portions of the public lands managed by the Bureau of Land Management have been degraded by mineral exploration and mining, abandoned developments, invasion of exotic vegetation, and overuse. The magnitude of the restoration problem is overwhelming, and under current funding levels, the amount of restoration completed is only a fraction of the need as detailed in planning documents. Under this initiative, the Bureau of Land Management strategy will concentrate on three primary categories of lands in need of restoration: threatened landscapes; riparian/wetland/aquatic environments; and special areas.

- **Threatened Landscapes.** The Great Basin, which includes portions of five States, has undergone a vegetation conversion of continental scale. Native grasses, forbs and shrubs have been displaced by the non-native cheatgrass. Juniper and pinyon pines have expanded beyond their historical range and increased in density within their range. This combination is dramatically changing the ecological form and function of an entire region of western North America and has caused an increase in fire danger, increase in fire suppression costs, reduction of wildlife habitat, excessive soil loss, and loss of recreational opportunities. Restoration projects of the Bureau of Land Management will concentrate on three threatened landscapes: the Mojave Desert, Colorado Plateau, and the Great Basin. Projects will include: removal and control of exotic invasive vegetation; reversing juniper and pinyon tree invasions; reestablishing native vegetation; and livestock management for the protection and restoration of degraded habitats.

In other lands administered by the Bureau of Land Management, forest lands have lost complexity and diversity following decades of fire suppression and timber management. This has resulted in uncharacteristically large and

severe wildfires, epidemic insect and disease outbreaks, and the substantial reduction of certain key forest components, such as aspen groves and mature, healthy ponderosa pine. Projects would be initiated to restore the ecological health of these forests and woodlands, while protecting plant and animal habitats and watershed quality.

- **Riparian/Wetland/Aquatic Environments.** Assessments indicate that only 40 percent of riparian areas and 74 percent of wetlands on Bureau of Land Management lands in the lower 48 States are in proper functioning condition. Recognizing the ecological significance of these areas, the Bureau of Land Management has prioritized 1.7 million acres of wetlands and 19,000 miles of streams for restoration. Specifically for salmon recovery, the Bureau has identified over 9,000 miles of streams and 860,000 acres of watershed for restoration. The goal is to have 75 percent of riparian and wetland areas in proper functioning condition by the year 2005.
- **Special Areas.** The objective is to provide for the long-term conservation and protection of objects or areas of special interest for biological, recreational, scenic, scientific, educational, and conservation purposes. Restoration projects will concentrate on the following areas or types of areas: Grand Staircase National Monument; wilderness areas and wilderness study areas; wild and scenic rivers; national conservation areas; and areas of critical environmental concern.

- **Restoration on Tribal Lands.**

The approximately 56 million acres of trust land Indian Reservation lands suffer from many of the same problems of habitat degradation as their neighboring lands, including loss of important habitats, invasion by non-native species, deposition of hazardous wastes, and infestation of forest diseases. More than three million acres of wetlands occur on Indian lands, many of which have not been catalogued, and most of which are not being appropriately managed for wetland benefits. The large number of federally-listed threatened or endangered species that inhabit tribal trust lands occupy a wide range of habitats, from micro-sites such as individual springs and bogs, to vast acreage of Sonoran desert or mixed conifer forests, to miles and miles of riparian habitat. Over 35 tribes and 75 listed species would benefit from a concerted program of habitat restoration aimed at the protection of threatened and endangered species. The majority of the six million acres of Indian forest land have some form of insect or disease problem. Currently, the Bureau of Indian Affairs is able to facilitate only one third of the annual requests for reservation forest assistance to combat these disease problems. Forest access roads on Indian lands are causing adverse impacts to soils and water quality on many

reservations. Noxious weeds on one million acres of Indian trust lands contributes to advanced soil loss and erosion, as well as depriving tribes of millions of dollars of revenue annually.

The Bureau of Indian Affairs has identified extensive unfunded restoration needs. The Partnership for America's Resources proposal provides \$50 million annually to enable the tribes to restore wetlands and riparian habitats, eradicate invasive species and restore functioning ecosystems with native species, accelerate the environmental cleanup of hazardous wastes, improve fish passage and spawning beds, repair erosion damage, conduct mitigation and closure of forest roads, and establish wildlife habitats. In ten years, this program will restore the wetland habitats, and habitats crucial to currently-threatened or endangered species on trust lands. In 20 years, the program will return to native vegetation lands infested with noxious weeds and invasive plant species, restore to natural conditions problem roads in forest lands, and rehabilitate stream courses and riparian habitats on tribal lands and on treaty reserved hunting and fishing grounds in the rest of the United States. Over a period of 25 years, \$1.3 billion would allow removal and clean up of approximately 2500 leaking fuel tanks and 900 cleanups; improvement of 1.3 million acres of forest, 9 million acres of rangelands, 900,000 acres of wetlands, and 315,000 acres of riparian habitat; and restoration of 2200 miles of streams to aid in endangered species recovery.

Funding

- All funds under the **Habitat and Coastal Restoration Fund** will be financed through permanent appropriation of OCS revenues.
 - Funding for the **Non-Game State Wildlife Conservation Grants Program** would be \$350 million per year, and distributed among States through formula grants.
 - Funding for the **Coastal Conservation Grants Program** will be distributed largely among the States through formula grants. A portion will be administered by the Fish and Wildlife Service and distributed on a competitive basis.
 - Funding for the **Wildlife and Endangered Species Partnership Program** will be distributed among State, local and private entities on a competitive basis.
 - Funding for the **Restoration on Federal Lands** component would be \$300 million, to be allocated among individual bureaus to conduct work under their various programs.

Concept Background

- The basic concept for the **Non-Game State Wildlife Conservation Grants Program** is based on the **Teaming with Wildlife** initiative which is supported by a broad coalition of environmental organizations and a number of companies that produce recreational goods.
 - The companies that support the proposal, among other things, see their profits tied to recreational opportunity and the enjoyment of wildlife that would be enhanced by the program.
 - Other recreation equipment companies, see their interests not well met with the TWW tax proposal. Among other things, many items of recreational equipment have entered the mainstream of goods used at home and in neighborhoods and compete against products less intended for recreational uses that may be associated with wildlife and wildlife habitat. Boots, backpacks and sports utility vehicles are good examples of this trend.
 - The concept has gained recent attention because of its announced incorporation in proposed legislation with the program to be financed from OCS receipts and the appropriation to be made permanent.
 - Some of the grant concepts that could be funded through the discretionary grants portion of the Endangered Species grant program proposal are contained in the Kempthorne-Chafee legislation which would reauthorize and modify the Endangered Species Act.
 - The grant distribution approach is patterned on the Federal Aid to Wildlife Restoration and Sports Fish Restoration programs of the Fish and Wildlife Service (known as the Pittman-Robertson and Dingell-Johnson programs), which are funded at about \$200 million and \$300 million, respectively. The first of these was enacted in 1937 to address the concerns of hunters over declining game and hunting opportunities. The companion program was enacted in 1950 to address similar concerns of fisherman. The programs are funded by taxes on hunting and fishing equipment and have a clear foundation in "user pays" theory. The distribution formula for these programs is based on geographic area and the number of hunting or fishing licenses.
- The Federal lands portion of the Habitat and Coastal Restoration Fund proposal would bring under one umbrella several existing appropriations and some new programs designed to improve degraded trust resources. The individual bureaus and programs

would retain their existing identification, but would enable the Department and the Forest Service to view their restoration activities in a coordinated way that would provide for optimal utilization of resources.

- The Fund is seeking the reliability of a stable funding level, the unity of common technologies associated with restoration and reclamation, and the discipline of applying the best management practices to all projects.
- Bureaus have had available what amounts to token funding for land and habitat restoration, in comparison with the need. While there are funds available for restoration of areas subject to commercial uses, such as timber restoration after harvest on certain Bureau of Land Management and Forest Service lands and Natural Resources Conservation Service soil and water conservation programs for farmlands (none of which would be eligible under this program), and limited funds for facilities reconstruction due to health and safety hazards, there is often little funding for restoring the vitality of degraded habitat. Substantial concern has been evidenced in recent years. The damage in many cases is obvious to the public, and often there are health and safety considerations as well. There has been surprisingly little effort to restore degraded areas, especially on Federal lands, despite a very large backlog of needed work.
- All of the agencies involved in this initiative have programs aimed at restoration, and these are being proposed for major infusions of new monies. The aim is to fold together into a single initiative the existing restoration funding of the Bureau of Land Management, the successful Partners for Fish and Wildlife, North American Waterfowl Management Plan partnership, and Coastal Restoration programs of the Fish and Wildlife Service, the funding currently used by the Fish and Wildlife Service to restore habitats on existing National Wildlife Refuges, the ecological restoration funding of the National Park Service, and the current restoration funding of the Forest Service.
- For some of the agencies, the current appropriation levels are associated with line items in the budget; for others, the current funding level represents funds from two or more related sources that are applied to habitat restoration activities. Thus, the current funding level should be viewed as an approximation, rather than as a firm estimate of appropriations at this time.

Other Considerations

- Funding under the Habitat and Coastal Restoration Fund would be distributed among Federal lands, State lands and other lands affected by State non-game wildlife programs, and private lands.

Proposed Habitat and Coastal Restoration Funding Levels Compared With Current Base Funding (\$ millions)

	FY 1999	FY 2000-2009
State Non-Game Wildlife Conservation Grants	0	350
Coastal Restoration Partnerships		
Coastal Grants	1	280
Coastal Restoration (Coastal Program)	7	20
OCS Impact Assistance	0	100
Wildlife and Endangered Species Partnerships		
ESA Landowner Incentive Program	11	100
Partners for Fish and Wildlife (Private Lands Program)	7	20
North American Wetlands Conservation	6	30
Federal Lands Restoration Program		
Ecological Restoration in National Parks	2	20
Restoration on National Wildlife Refuges	15	40
Restoration in National Forests	80	150
Threatened Landscapes, Riparian/Wetland/Aquatic, and Special Areas Managed by the Bureau of Land Management	8	40
Ecological Restoration on Indian Reservations	27	50
Total	164	1,200

NOTE: The 1999 figures represent a rough estimate of the proportion of appropriated funds in each category currently used for habitat restoration activities. Budget numbers in the 1999 column represent the FY 1999 President's Budget.

Historic Preservation Fund

Concept

- Fully fund, modify administrative mechanisms, expand eligible recipients, make permanent, and increase the **Historic Preservation Fund (HPF)** authorization to a total of \$300 million per year to accelerate the rate of protection and restoration of America's historic legacy, including buildings, sites, artifacts, and historic districts, for the benefit of this and future generations. This would include:
 - Fully funding, expanding the scope, and modifying the mechanisms of the existing grant program to State, tribal, and local governments; and,
 - Transferring to the Historic Preservation Fund primary facility, site and artifact protection and restoration financing for the four Federal land managing agencies.
- **Grant Program.** The grant portion of the Historic Preservation Fund, funded at \$150 million annually, would ensure that State, tribal, and local historic preservation offices continue to perform their Federal regulatory functions under Sec. 101 of the National Historic Preservation Act. At full funding, however, State historic preservation programs could refocus on actual preservation activities. Urban communities would be energized by the re-commitment to the preservation of historic structures, and future generations would be assured the educational opportunities derived from the preservation of the nation's historic patrimony. States would continue to match Federal funding with non-Federal dollars at a ratio of 60 percent Federal, 40 percent non-Federal; Tribes would remain exempt from matching fund requirements. Of the \$150 million grant program:
 - \$50 million would be apportioned as a State set-aside and distributed by using a population-based formula. These funds would provide adequate support for State Historical Preservation Office regulatory functions, and foster State and local historic preservation activities.
 - \$5 million would be appropriated as a set-aside and distributed by an administrative formula to provide adequate support for tribal regulatory functions under the National Historic Preservation Program.

- The remaining \$95 million would be converted into a competitive grant program based on national criteria to assure focus on national priorities and the most significant projects.
 - A portion of the competitive grant program would continue to be set aside for designated categories of the Nation's historic resources as has been done in recent years, such as National Historic Landmarks, Historically Black Colleges and Universities, battlefield protection, and historic preservation projects of Indian tribes.
 - By the second year, the grant selection process for competitive grants would occur in advance of submitting the budget to Congress, so that projects are known in advance, can be described at the time the budget is sent to Congress, and can be justified with project-specific data.
 - By the third year, add a three-year planning horizon to the project selection process, with encouragement for longer periods, to foster longer-range planning for conservation of historic buildings, sites and artifacts, and to provide advance information to the public and Congress on historic conservation priorities.
- **Federal Program.** The Federal portion of the Historic Preservation Fund, funded at \$150 million annually, would explicitly acknowledge the invaluable historic legacy managed by Federal agencies. The National Park Service (NPS), Bureau of Land Management (BLM), Fish and Wildlife Service (FWS) and United States Forest Service (USFS) hold rich historic and cultural properties in their care; the HPF would emphasize the stabilization, protection, and preservation of archeological and other historic sites, structures, and cultural artifacts under Federal management. This fund would underscore the responsibility of the Federal government to wisely manage and preserve the irreplaceable heritage it holds in trust.
- **Accountability.** Congress would be provided an opportunity to veto projects and substitute others that meet national criteria as a part of the appropriations process.
- **Funding Source.** The expanded fund would continue to be financed by revenues from the Outer Continental Shelf oil and gas leasing program.

Premises

- The Historic Preservation Fund has made a substantial contribution to protection of America's historic resources through: 1) funding of State Historic Preservation Officers, who assure adequate protection for historic sites and structures and administer

the National Historic Preservation Act; and 2) funding the conservation and restoration of significant historic properties, including, in recent years, modest but important support for protection and restoration of structures at Historically Black Colleges and Universities, threatened National Historic Landmarks, and Indian reservations. Nonetheless, the HPF has fallen far short of its early promise of helping to protect the nation's historic structures and sites, as the unappropriated balance in the fund has outpaced the portion of the fund actually used for projects. Of the \$3.2 billion deposited to the fund, approximately \$800 million has been appropriated through FY 1999, leaving an unappropriated balance of about \$2.4 billion.

- **The Partnership for America's Resources** assumes that this unappropriated balance, realistically, is no longer available and writes it off as a contribution to past deficit reduction in return for a guarantee, backed by permanent appropriation, that future Historic Preservation Fund receipts of \$300 million will be made available each year.
- **Historic Preservation Needs.** Despite the contributions of the Historic Preservation Fund over the last 30 years, significant threats to cultural resources persist. In the 1980s, the Park Service estimated that the protection and restoration of properties listed on the National Register and in poor or threatened condition would require \$20 billion. Of the 2,248 National Historic Landmarks nationwide, 350 are endangered with an estimated preservation need of \$1.7 billion. In 1990, Indian tribes and the National Park Service estimated the national need to preserve unique and endangered tribal cultural heritage to be \$220 million, yet only \$11 million has been appropriated from the Historic Preservation Fund for tribal preservation grants this decade. The 529 significant historic campus buildings at Historically Black Colleges and Universities require an estimated \$596 million in preservation assistance based on a February 1998 report issued by the General Accounting Office.
- **State Grant Program.** Apart from the failure to protect and restore historic sites and structures represented by the unappropriated balance in the Historic Preservation Fund and the backlog of restoration and stabilization work needed, the appropriation history for the Historic Preservation Fund reflects a program that has lost its Congressional constituency and which needs to be significantly reconfigured so that Congress and the public know in advance what is proposed to be funded, and needs to be more tightly focused on projects of national significance as, for instance, has been happening with the growing trend to set funds aside for special categories of projects and to make the award of grants more competitive.
- **Federal Program.** The Federal land managing agencies have been doing a quite poor job of protecting and restoring historic structures, sites and artifacts due to the tremendous budgetary and political pressure on operations. In the meantime, such historic resources continue to deteriorate, and often will cost more to conserve at some later point, or will be lost. The backlog of historic preservation work is extremely large and growing. The largest single item in the backlog is the incomplete inventory of project-scale historic restoration work at National Parks which exceeds \$1.4 billion. But extensive work also needs to be done

on smaller projects including conservation of archaeological sites and artifacts in National Parks, Wildlife Refuges and Forests, and on the public lands managed by the Bureau of Land Management. A well-focused initiative is needed to address this work in a systematic fashion.

Benefits

- Several significant benefits would accrue directly from reinvigoration of the Historic Preservation Fund:
 - Local preservation efforts would be bolstered by an influx of grant opportunities;
 - Delays in project development and land use decisions would be avoided, as SHPO's will have adequate funding to conduct regulatory functions;
 - Tribes would garner additional grant assistance for preserving their unique and significant cultural heritage.
 - Federal land management agencies would have adequate resources to stabilize and preserve the numerous historic resources in their possession;

Additional Concept Details

- **Grant Funding**
 - \$50 million of the grant funding would be allocated on the basis of a needs-based formula. SHPOs would continue to receive the necessary funds for regulatory functions and for a limited program of grants fully at State motion;
 - Currently, States receive approximately \$31.4 million from the Historic Preservation Fund (FY 1999). These categorical grants provide funding to SHPO's in carrying out statutory responsibilities under Section 101(b)(3) of the National Historic Preservation Act of 1966 (NHPA). Activities mandated by the NHPA include: preparation of an inventory of State historic properties; identification and nomination of eligible properties to the National Register; preparation of a statewide historic preservation plan; advising and assisting Federal and State agencies and local governments in carrying out historic preservation responsibilities; and consulting with Federal agencies on any Federal undertakings that may affect historical properties.

- \$5 million of the grant funding would be allocated to Tribes by a needs-based formula to provide for Federal regulatory activities under Section 101 of the National Historic Preservation Act.
 - Currently, tribes receive approximately \$3 million from the Historic Preservation Fund (FY 1998). These grants are awarded by the National Park Service on a competitive basis and are intended to assist tribes in preserving their cultural heritage.
- \$95 million of the grant funding for specific projects would be distributed on a competitive basis, and projects would be subject to Congressional review through the appropriations process.
 - Grants would target particularly urgent needs, including threatened National Historic Landmarks, Historic Black Colleges and Universities, historic battlefields, and Indian tribal cultural resources.
- States must match the Federal funding with non-Federal funding at a 60 percent Federal, 40 percent non-Federal ratio (Tribes are not required to match). Thus, the Historic Preservation Fund is well-leveraged.
- Congress has criticized the HPF because of a perception that grants for State programs largely are expended on administrative expenses. Recent data indicate that 89 percent of State expenditures go toward historic preservation activities (including those that are regulatory in nature, though no less important because of the sites and structures identified and preserved) and projects, while the remaining 11 percent is used for administrative expenses. Because the infrastructure is currently in-place, greater appropriations to the States could be used to focus on preservation rather than regulatory efforts and administrative costs.
- **Federal Funding.** Federal Agencies are responsible for managing a diverse and significant cultural and historic legacy, yet often are challenged to marshal sufficient funds to ensure that this historical legacy is preserved. Under the federal program currently proposed, Federal land management agencies could make significant progress in accomplishing historic preservation objectives.
 - **National Park Service** (\$105 million per year).
 - Complete historic structure major treatment projects within 25 years and preserve the historic structures managed by the NPS.
 - Protect archeological sites on Park Service units and complete the archeological inventory.

- Complete the Cultural Landscapes Inventory to ensure protection of landscapes of historical significance.
- Ensure the preservation of Park museum collections and enhance the conservation survey and treatment program.
- Bureau of Land Management (\$20 million per year).
 - Stabilize and protect significant archeological resources on the public lands.
 - Inventory and protect traditional religious and cultural properties on the public lands.
 - Manage, protect, and improve public access to significant historic trails, including the Lewis and Clark, Santa Fe, and Mormon Pioneer Trails.
- Fish and Wildlife Service (\$10 million per year).
 - Restore and maintain historic buildings and structures managed by the FWS.
 - Ensure the protection of FWS museum collections.
 - Survey and secure significant archeological and historic resources managed by the FWS.
- U. S. Forest Service (\$15 million per year).
 - Emphasize the preservation of cultural landscapes and broader areas of historic significance in the stewardship of cultural resources managed by the Forest Service.
 - Stabilize and restore important historic properties, including archaeological sites, historic cabins, and fire lookouts.
- The Historic Preservation Fund was designed to support State and tribal efforts to preserve cultural heritage. Federal agencies have not traditionally received funding from the Historic Preservation Fund; rather, Federal efforts at historic preservation have been funded through the annual budget process for each bureau. The Millennium Fund proposal in the FY 1999 budget was the first effort to allocate a portion of Historic Preservation Fund funds to Federal agencies. Congress appears to support that concept.

Funding

- **Total Funding.** The permanent appropriation for the Historic Preservation Fund would be \$300 million per year with that amount divided equally between the grant program and the federal program.
 - The State, Tribal, and Local Grant program, funded at \$150 million per year, would ensure that State and Tribal Historic Preservation Officers receive adequate funding to execute regulatory responsibilities, stimulate local preservation efforts, and provide targeted and competitive grants for projects of national significance, including Historically Black Colleges and Universities, Threatened National Historic Landmarks, and historic battlefields.
 - The Federal Program, funded at \$150 million per year, would ensure the preservation of significant historic and cultural resources managed by Federal land management agencies, including the National Park Service, the Bureau of Land Management, the Fish and Wildlife Service, and the U.S. Forest Service.
- **Permanent Appropriation.** One of the important concepts is that the Historic Preservation Fund would be made permanent so that it is not subject to the vagaries of the annual appropriations process. This is particularly important in the case of the Historic Preservation Fund, for two reasons: 1) State and Tribal Historic Preservation Officers rely upon Federal funding to execute federally-mandated regulatory activities; and, 2) uncertainty regarding available grant funding can hinder the budget and planning efforts of local historic preservation groups, which are required to match Federal grants with non-federal monies for any proposal under the HPF. As part of this proposal, the unappropriated balance in the Historic Preservation Fund, approximately \$2.4 billion, would be rescinded.

Proposed Historic Preservation Fund Compared With 1999 Budget (\$ millions)		
	1999	2000-2009
Grant Program	42	150
Federal Program	[69]	[150]
National Park Service	56	105
Fish and Wildlife Service	2	10
Bureau of Land Management	1	20
Forest Service	10*	15
Total Historic Preservation Fund	111	300

NOTE: Budget numbers in the 1999 column represent the FY 1999 appropriations; *estimated based on limited data.

Concept Background

The Historic Preservation Fund (HPF) is a federal, categorical grant program authorized in the late 1960s as the principle grant mechanism to carry out the National Historic Preservation Act of 1966 (NHPA). Currently authorized at \$150 million per year, the HPF derives funding from Outer Continental Shelf revenues and distributes grants to eligible recipients. Since 1968, over \$800 million in grant funds have been awarded to States, territories, Indian tribes, local governments, and the National Trust for Historic Preservation under the auspices of the Historic Preservation Fund. Traditionally, the primary recipient of Historic Preservation Fund grants has been the States; however, recent Congressionally-targeted line item appropriations have emphasized Historically Black Colleges and Universities, threatened National Historic Landmarks, and the preservation of historic ships and lighthouses.

- National Trust for Historic Preservation:* A three-year phaseout of Historic Preservation Fund grants to the National Trust was agreed to in consultation with the Administration and the Congress in FY 1996. Beginning in FY 1996, the appropriation was cut by 50 percent (from \$7 million to \$3.5 million), which was sustained in FY 1997 and FY 1998. Fiscal year 1998 ended the three-year phaseout, therefore no funds were requested in FY 1999.

- **Targeted Grants.** A substantial portion of the Historic Preservation Fund program in the FY 1999 appropriation is distributed as categorical grants. These include:
 - ***Millennium Fund:*** The President's Fiscal Year 1999 budget requested a \$50 million appropriation to the Historic Preservation Fund to support *Millennium Grants to Save America's Treasures*. These funds, granted on a competitive, matching basis, would be used for the "preservation of our nation's premier historic buildings, sites, structures, objects, and landscapes and for the conservation of our irreplaceable art, artifacts, documents, images, and archives." Of the \$50 million request, the appropriation provided \$30 million to the historic preservation programs of federal agencies funded in the Department of the Interior bill and to the National Archives (State Millennium grants were not funded). Millennium Grants are tentatively scheduled for two years (FY 1999 and FY 2000). The functions of this category will be subsumed by the expanded competitive grant program and by the addition of a Federal component to the Historic Preservation Fund program which funds artifacts and sites as well as structures.
 - ***Historically Black Colleges and Universities:*** In the Omnibus Parks Bill of 1996 (PL 104-333), Congress authorized \$29 million for grants to historically black colleges; of that, \$7 million has been appropriated through FY 1998 and an increase of \$7 million (to \$15.4 million) was requested for FY 1999. The FY 1999 appropriation funded only \$2.8 million of the requested increase. Unless the Secretary (of the Interior) determines that an extreme emergency exists, these grants are to require a matching contribution from the recipient.
 - ***Threatened National Historic Landmarks:*** The administration requested \$2.7 million for threatened National Historic Landmarks in FY 1999 (there was no appropriation for FY 1998). This program would have created a competitive, matching Federal financial assistance program to preserve the most endangered of the 2,200 national historic landmarks. However, the FY 1999 appropriation did not fund this request. Owners of these properties include individuals, private organizations, and all levels of government. The most recent estimate of costs for stabilization and restoration of National Historic Landmarks was \$1.7 billion.

Farmland Wildlife Protection Fund

Concept

- Establish the **Farmland Wildlife Protection Fund** at \$100 million annually for 20 years to acquire or place under permanent easement farmland enrolled in the Conservation Reserve Program (CRP) and in the Farmland Protection Program (FPP) that has significant potential for wildlife habitat or that has key environmental features related to habitat such as flood-prone land, wetlands, and greenbelts near population centers. The Farmland Wildlife Protection Fund would:
 - Target lands with potential for biological richness, but which are most likely to revert to commercial use (e.g., lands subject to market pressure to return to agriculture; lands on the urban fringe; areas with limited non-governmental organization presence or no active State conservation program);
 - Emphasize habitat for listed species or species in severe decline;
 - Favor proposals designed to combat fragmented landscapes or complement the presence of nearby conservation areas. Many listed species have a refuge as a core preserve;
 - Extend the reach and cost-effectiveness of the program with authority to make grants and engage in partnerships with States, other non-Federal governmental organizations, and non-governmental organizations; and
 - Allow compatible commercial activity in order to make the easement program more attractive to landowners and to augment its cost-effectiveness.

Premises

- The Conservation Reserve Program (CRP) has made significant contributions toward reducing a range of environmental, habitat, and wildlife effects long associated with agricultural activity. However, the CRP has a number of features which limit its effectiveness vis-a-vis wildlife:

- *Short term contracts:* The relatively short duration of the CRP contracts (10-15 years) puts the program's environmental gains at risk. The CRP pays market rental rates for cropland, amounting to roughly 50-70 percent of the acquisition price of the land over a decade. If the land reverts to commercial use, the conservation benefits are lost. These gains can be preserved and guaranteed in perpetuity and relatively cheaply by supplementing the already substantial payments made under the CRP.
- *Lack of incentive to invest in specialized, biologically productive practices:* The CRP requires landowners to pay half of the cost of installing and maintaining any required conservation practices and of establishing a permanent vegetative cover. Given the short length of the contracts, landowners are reluctant to invest in specialized or more elaborate conservation practices. The opportunity to qualify for a permanent easement, however, can justify undertaking the expense of such investments. Although the CRP offers bonus payments to attract high priority lands, the bonus program is relatively small, and the rewarded practices are often broad (filter strips, riparian buffers, etc.) rather than species specific.
- *No integrated conservation plan:* Most CRP lands are enrolled through large, irregularly scheduled, periodic sign-ups or auctions. Although generally widely publicized, the lead time and scheduling of these auctions can restrict participation. Most importantly, the auctions focus on individually eligible landowners, and are not designed to implement an integrated conservation plan, like reconnecting a fragmented landscape or addressing watershed-wide problems.
- The Department of Agriculture has begun to address some of these long-standing deficiencies by introducing the continuous sign-up Conservation Reserve Program, utilizing an Environmental Benefits Index in the selection process, and initiating the Conservation Reserve Enhancement Program (CREP). These changes are welcome improvements in Conservation Reserve Program's design, but their focus is not specifically on wildlife, and the continuous sign-up and CREP programs are small relative to the traditional Conservation Reserve Program. There remain significant, cost-effective opportunities to augment the CRP for wildlife benefits, as evidenced by new programs in several States, such as Minnesota, Illinois, and Maryland.
- The Department of Agriculture's Farmland Protection Program purchases non-farm development rights on prime farmland that is threatened with conversion, but environmental factors play a minimal role in the selection process. By supplementing FPP's easement payments, the Farmland Wildlife Protection Fund can encourage more environmentally benign management practices that benefit wildlife.

Benefits

- Targeting lands already enrolled in the Conservation Reserve Program produces an array of fiscal, environmental, wildlife, and recreational benefits in an equitable and unintrusive manner:
 - The primary fiscal benefit is apparent: the public has already paid for a significant portion of the cost of preserving significant conservation benefits. With a relatively cheap supplemental payment these benefits can be protected forever.
 - Through partnerships, cooperative agreements, and grants, the Farmland Wildlife Protection Fund can leverage the effectiveness of its funds.
 - By emphasizing habitat for listed species and species in severe decline the Farmland Wildlife Protection Fund will ultimately help to alleviate regulatory restrictions on development.
 - The protected land will have multiple, non-wildlife environmental values, such as reduced non-point runoff, filter strips and riparian restoration to shade streams, or more environmentally benign agricultural practices on multiple use lands.
 - Wildlife populations benefitting from the habitat will increase, disperse, and enrich recreational experiences elsewhere.
- All transactions would be voluntary, involving willing sellers only.

Funding

- With the \$100 million annual Federal funding, the Farmland Wildlife Protection Fund can permanently protect, over the 20 year life of the program, one third of the 29 million acres currently enrolled in the Conservation Reserve Program. With leveraging, the Farmland Wildlife Protection Fund can do more. The funding level was determined based on estimates of CRP enrolled lands with high wildlife potential, conservative assumptions about the proportion of willing sellers, and Conservation Reserve Program rental rates. The Farmland Protection Program is a relatively small program, and any additional funding demands associated with its enrolled lands will be minimal.
- Leveraging through partnerships and grants is likely to defray the administrative and monitoring costs of the program together with adding to the inventory of protected lands.

Urban Park and Recreation Recovery Fund

Concept

- Revitalize the Urban Parks and Recreation Recovery Program (UPARR) through a permanent appropriation of \$150 million per year, with funding from OCS receipts. UPARR will fund investments in urban parks and recreation activities by emphasizing the restoration, protection and development of recreation resources in urban areas and eliminating the service delivery aspects of the program.
- Use funds from UPARR to acquire lands for urban parks as well as to develop new or expanded public recreation facilities.
- Eliminate innovation grants in order to concentrate on rehabilitation and enhancement.
- Update the list of eligible jurisdictions to reflect the important demographic changes in urban areas that have taken place over the last 20 years. Revise after data becomes available from the 2000 Census.
- Provide stable base funding for administration by providing the authority to use up to 3 percent of the permanent appropriation of \$150 million per year.

Premises

- The Urban Park and Recreation Recovery (UPARR) Program was created to address the critical needs of urban park and recreation programs in distressed urban areas across the country. UPARR has suffered from a variety of problems that prevents it from fulfilling its objectives including unreliable funding sources, inconsistent program funding, limits on the use of funds, and an outdated list of eligible jurisdictions. This proposal addresses these problems and criticisms that UPARR has faced in the past.
- *Unreliable Funding Sources and Inconsistent Program Funding.* Currently, UPARR does not have a reliable or consistent source of funding. Instead, it must rely on annual appropriations from the General Fund of the Treasury. To date, this method has been ineffective. Over the years, program funding has fluctuated between a high of \$62.4 million in 1981 to receiving no funding in 10 of the 20 years of the program. One of the reasons for this inconsistent program funding is the

lack of a designated funding source for the program. With the great pressure for operations and maintenance funding within the National Park Service and the Department of the Interior, a program like UPARR addressing urban needs cannot compete for funding effectively, despite the high payoff.

This proposal, a part of a larger Partnership for America's Resources, would provide for the funding necessary to make this a strong grant program.

- *Limits on the use of funds.* As the law is currently written, funds acquired through UPARR grants cannot be used for the acquisition of land or interests in land or in the development of new/expanded public recreation opportunities. For some jurisdictions, because of growth and population shifts, parks and other recreation facilities are no longer located where the population is. The population, in turn, has moved to areas where park and recreation facilities are inadequate or unavailable. In some depressed areas, there have never been adequate facilities nearby. Giving jurisdictions the ability to acquire lands through the leverage of UPARR funding is one way to ensure that open space and recreation opportunities are available to people in urban areas.
- *Amend Planning Requirement.* With the expanded acquisition and development authority, the requirements for a recovery action plan will be revised to ensure that the plans developed by eligible communities address acquisition and development needs and priorities in addition to the priorities and strategies for overall system recovery.
- *Retain Restoration Authority.* The core concept of the original UPARR legislation - grants to rebuild, remodel, expand or develop existing recreation areas and facilities - will be retained and strengthened by coupling restoration and rehabilitation with new authority to acquire land and develop new facilities.

Benefits.

- UPARR would concentrate on helping meet the recreational and open space needs of the urban areas, home of some of the most diverse populations in the nation. The program provides accessible facilities to "all people," including some of the more mobility-restricted, impoverished and underserved concentrations of the American population.
- Parks and recreation activities are important components of the overall revitalization of urban areas. For example, the city of Baltimore used a 1991 UPARR grant to rehabilitate the William McAlbee recreation facility which was located in a

community targeted for urban renewal. The city budgeted more than \$16 million over five years for physical, social and environmental improvements in the surrounding community.

- Provides a focused urban component to the overall Partnership for America's Resources.

Additional Concept Details

- *Appropriate \$150 million per year for an indefinite period.* UPARR would be funded at a level of \$150 million per fiscal year through a permanent appropriation. The original appropriation authority was \$725 million dollars over five years. Congress determined that the authority was indefinite and amended the law to reflect this change. About \$228 million has been spent thus far. A reauthorization of the law including this permanent appropriation would help focus attention on the program over the next few years and assure its funding. The funding would come from OCS receipts which would provide a dedicated source of funding for urban parks and recreation.
- *Remove the Limitation on Funds.* Currently the law governing UPARR states that funds cannot be used to acquire lands or interest in lands, much less the development of new or expanded facilities. The law would be amended to allow grant funding to be used for these purposes. If land is acquired using these funds, a stipulation would be needed to assure that the land is maintained as park land or open space in perpetuity (like Section 6(f)(3) of the LWCF Act as amended). The land to be protected in perpetuity under Section 1010 would include not only that being acquired, rehabilitated and/or developed but the entire recreation/conservation management unit of which it is a part.
- *Eliminate Innovation Grants.* The Innovation Grants funded by UPARR have been used to develop interesting and innovative service delivery programs, such as providing golf lessons to inner city youth or developing outdoor education programs. While beneficial, those uses are seen as more within the purview of urban governments and non-governmental social support agencies, and grants from other Federal agencies. Eliminating Innovation Grants would sharpen the focus toward the restoration, rehabilitation, and expansion of tangible and permanent "brick and mortar" projects within specifically defined parks or recreation facilities as well as the acquisition of new land providing new recreation opportunities where needed most. The law will need to be amended to remove innovation grants and to provide permanent protection as described above.
- *Update List of Eligible Jurisdictions.* Since the original list was developed over 20 years ago, significant growth has occurred in some areas of the country, particularly in the southwest and west. Other jurisdictions could become eligible for

the grant program if the list were updated. After the results from the 2000 Census are available, the jurisdiction list would need to be updated.

Funding

- Funding for UPARR would come from OCS receipts.

Concept Background

- Created in November 1978 by Public Law 95-625, the Urban Park and Recreation Recovery (UPARR) Program provides matching grants and technical assistance to economically distressed urban communities. Originally authorized at a level of \$725 million (\$150 million from 1979-1982 and \$125 million for 1983), in 1984, Congress determined that the appropriation authority under UPARR would continue indefinitely. The program has awarded over 1200 grants totaling almost \$228 million from 1978 to 1995, but has not received funding since 1995.
- **Program Objectives.** The UPARR program has three main objectives: To encourage systematic local planning and to improve operation and maintenance of recreation sites and facilities; to improve the quality of life in physical and economically distressed urban areas through better provision of well-planned and well-maintained close-to-home, easily accessible, indoor and outdoor neighborhood recreation facilities and programs; and to develop and encourage coordination with, and among, all levels of government and private non-profit organizations.
- **Jurisdictional Eligibility.** Only certain cities and counties are eligible to receive UPARR grants based on factors that assess the economic distress of the urban area. 353 cities and 52 counties were listed as eligible for UPARR grants. This list of eligible jurisdictions has not been updated since the creation of the original ranking method in 1978. Up to 15 percent of the UPARR funds can be used on discretionary grants for cities not on the eligibility list, but within the Metropolitan Statistical Area.
- **Types of Grants.** Three types of grants are currently authorized through the UPARR Program: Recovery Action Program (RAP) Grants, Rehabilitation Grants and Innovation Grants.
- **Recovery Action Program Grants.** Recovery Action Program (RAP) Grants are matching grants (50 percent Federal/50 percent local) to local governments for development of parks and recreation RAPs to meet the requirements of applying for

Rehabilitation and Innovation Grants. RAP Grants are for all aspects of planning and program development activities for urban parks and recreation. To be eligible for either a Rehabilitation or Innovation Grant, a jurisdiction must have an approved RAP on file. From 1978 to 1995, jurisdictions were awarded 549 RAP grants for \$15.6 million

- **Process for Receiving a RAP Grant.** Each region within the NPS receives funds for RAP grants and distributes those monies to the selected jurisdictions within their region. A jurisdiction's RAP Grant submission is based on selection criteria specifically developed for RAP grants.
- **Rehabilitation Grants.** Rehabilitation grants are matching grants (70 percent Federal/30 percent local) for renovation of close-to-home recreation sites needed to enhance the quality, quantity or variety of neighborhood recreation opportunities. From 1978 to 1995, 537 grants were awarded for \$174 million.
- **Process for Receiving a Rehabilitation Grant.** Proposal narratives (the preapplication) addressing the grant selection criteria are submitted to the appropriate Regional Office of the National Park Service for preapplication certification. Certification assures that the proposals meet minimum legal and technical requirements; are within the intent and scope of the UPARR program and provide adequate information for evaluation and competition. Proposals are ranked and evaluated within the Regional Office based on weighted selection criteria. Certified proposals then are ranked and evaluated at the national level and submitted to a national selection panel. The national selection panels are composed of three to five individuals in the fields of recreation and urban revitalization. Panel members may come from Federal or non-Federal agencies or private organizations. The panel's recommendations are forwarded to the Director of NPS. Jurisdictions that have proposals selected for funding must then submit full documentation and meet all Federal legislative compliance requirements (such as lobby restrictions, EEO, Clean Air Act and Federal Water Pollution Act requirements) prior to the approval of the grant.
- **Innovation Grants.** Innovation grants are matching grants (70 percent Federal/30 percent local) to local governments to cover costs of personnel, facilities, equipment, supplies, or services designed to demonstrate innovative and cost effective ways to augment park and recreation opportunities at the neighborhood level and to address common problems related to facility operations and improved delivery of recreation services. From 1978 to 1995, 191 Innovation Grants were awarded for \$27 million.
- **Process for Receiving an Innovation Grant.** The process for receiving an Innovation Grant through the UPARR Program is the same as for a Rehabilitation Grant.

Abandoned Mine Reclamation Fund

Concept

- Fully fund the Abandoned Mine Lands program, and provide the Office of Surface Mining permanent authority to use annually all future revenues and interest earned by the Abandoned Mine Reclamation Fund (AMRF), the source of funding for that program. This is similar to an Office of Surface Mining proposal to:
 - Increase future appropriations from this fund to keep the unappropriated balance constant at \$1.5 billion.
 - Collect interest on the appropriated-but-unused balance and add that to the Fund.
- By 2004, this would almost double expenditures from this Fund to \$360 million. This would accelerate:
 - The reduction of the \$2.5 billion backlog in unfunded Priority 1 and 2 reclamation projects at coal sites (Priority 1 and 2 projects address abandoned coal mine sites creating health and safety hazards).
 - Cleanup of watersheds affected by acid mine drainage.
 - Reductions of physical and health hazards at abandoned non-coal mines.

Premises

- The Fund should pay out as much as it takes in until the backlog of Priority 1 and 2 projects is substantially reduced. Priority 1 and 2 are based upon human health, safety and welfare concerns.
- A majority of the funds will be distributed as grants to States and tribes. These grants would increase from 79 percent (or \$146 million) in FY 1999 to 84 percent (or \$304 million) in FY 2004.

Benefits

- 40,000 more acres will be reclaimed between 2000 and 2004 in addition to 43,000 acres reclaimed if funding is kept constant at the FY 1999 level (i.e., baseline level). Currently, about 145,000 acres of Priority 1 and 2 lands are unreclaimed.
- The backlog of Priority 1 and 2 projects would be eliminated within a decade under the PAR proposal, as compared to two decades if the AML program is level funded at the FY 1999 enacted level (i.e., baseline level).
- Under the Clean Streams Initiative which is funded from the Abandoned Mine Reclamation Fund, the number of stream miles restored between 2000 and 2004 will increase by 750 miles under this proposal as compared to 1,750 miles under the baseline level. These funds will be leveraged by requiring at least a 1:1 match.
- Each \$1 million spent on reclamation will generate 59 jobs.

Additional Concept Details

- Between FY 1999 and FY 2004, several programs funded through the Abandoned Mine Reclamation Fund will receive increased funding:
 - State and Federal emergency programs will increase from \$18 million to \$23 million.
 - The Small Operators Assistance Program will increase from \$1.5 million to \$4.0 million.
 - The Department of Agriculture's Rural Abandoned Mine Program (administered by the Natural Resources Conservation Service), which focuses on restoration at the watershed level, will be funded at 5% of total annual AML funding, reclaiming over 2,000 acres annually under arrangements much more closely tied to State priorities than in the past.

Funding

- Sums from this Fund available for restoration of land and water will increase from \$185 million in FY 1999 to \$278 million in FY 2000 and increase annually by about \$20 million thereafter until it reaches \$360 million in FY 2004 due to a combination of interest earnings and increased revenues from steady expansion of coal production. A detailed breakout of expenditures for the Abandoned Mine Lands program under this proposal is provided in the table at the end of this section.
- Funding Assumptions
 - Coal production will continue to increase per DOE's projections contained in the *1998 Annual Energy Reviews*.
 - The UMW Combined Benefit Fund will obtain funds at the maximum level allowed from the Abandoned Mine Reclamation Fund although we anticipate that transfers to the UMW will be at the \$50 million per year level, somewhat more than the \$40 million per year that they have been running at historically. Amounts not required by the UMW Fund will finance abandoned mine restoration work.
 - Interest rates will stay more or less steady at about 5 percent.

Concept Background

- A tax of 35 cents per ton on surface coal, 15 cents on underground coal, and 10 cents on lignite mined in the United States is deposited in the Abandoned Mine Reclamation Fund. Subject to annual appropriation, it is used to reclaim abandoned mine sites and related stream damage.
- In addition, the fund balance is invested, but much of the interest earned is transferred to the United Mine Workers of America Combined Benefit Fund (CBF) for payment of health benefits for miners and their dependents whose companies have gone out of business. The portion of the interest which exceeds the needs of the CBF is available for appropriation to reclaim lands. Transfers to UMW are capped at \$70 million and have been running at about \$40 million per year.
- As with several other major Interior Funds with dedicated receipts, the AMRF, through its taxes and interest earnings, takes in more than is appropriated for its authorized uses, despite a large backlog of unmet high priority needs.

- The current unappropriated balance in the Fund is about \$1.4 billion and will reach or exceed \$1.5 billion at the end of FY 1999.
- In FY 1999, the fee is expected to collect \$290 million. In addition, the interest on the unappropriated balance of \$1.4 billion is expected to bring in another \$80 million. On the other hand, the FY 1999 appropriation was only \$185 million and due to a one-time adjustment owing to a Supreme Court case there was a current year transfer of \$60 million to the United Mine Workers (UMW) Combined Benefit Fund. However, considering that annual transfers to the UMW have been averaging about \$40 million over the last few years, the unappropriated balance should grow by \$125 million or more in FY 1999.
- Authority for the tax expires in 2004. Any decision to extend that authority must be made prior to that.
- Under the Abandoned Mine Lands program, abandoned sites are classified according to a priority. Priority 1 and 2 are based upon human health, safety and welfare concerns, while Priority 3 is based upon environmental impacts.
- There is a \$2.5 billion backlog of unfunded Priority 1 and 2 reclamation projects on 145,000 acres of abandoned coal sites. In addition, 8,000 (+) miles of streams are affected by acid mine drainage; no reliable estimate of the cost of mitigating these is available.
- Based upon an incomplete inventory, there is a \$200 million backlog of unfunded Priority 1 and 2 projects at abandoned *non-coal* sites.
- Dollar estimates for Priority 3 sites have not been made since the primary focus of most States will continue to be on Priority 1 and 2 work for most of the next decade. The backlog for priority 3 environmental restoration at abandoned mine sites, however, is in the many billions of dollars.
- 50 percent of what is collected is earmarked for the State where it was collected. The amount distributed to a State depends upon a formula which considers historical coal production and collections, and whether it has eliminated its backlog of Priority 1 and 2 reclamation projects.

Funding Under Proposal Compared to Current Funding Situation (\$ millions, rounded)

	1999	2000	2001	2002	2003	2004-2009
Proposed Funding						
State/Tribal Reclamation Grants	133	198	216	235	254	273
State Emergency Programs	6	12	12	12	12	12
Federal Emergency Programs	11	11	11	11	11	11
Clean Streams	7	10	10	10	10	10
Rural Abandoned Mine Program	0	13	15	16	17	18
Federal High Priority Projects	3	3	3	3	3	3
Small Operators Assistance Program	2	4	4	4	4	4
Operations	23	26	27	27	28	29
Total Proposed Funding	185	277	298	318	339	360
OMB Outyear Baseline	185	210	240	269	298	298

NOTE: Budget numbers in the 1999 column represent the FY 1999 President's Budget.

Federal Lands Good Neighbors Fund

Concept

- A new fund, titled the **Federal Lands Good Neighbors Fund (FLGNF)**, would be established, to fund and resolve lingering issues with States and local governments about Federal lands in their jurisdictions.
 - The FLGNF would fully fund **Payments in Lieu of Taxes (PILT)** and the companion program, **Refuge Revenue Sharing**, at current authorization levels to better offset the lack of tax payments for Federal lands. These programs would be authorized or reauthorized, as the case may be, to provide for permanent appropriation.
 - The **PILT** and **Refuge Revenue Sharing** payments would be financed from unappropriated balances in the **Reclamation Fund**, minerals revenues surplus to the needs of that fund, and existing **National Wildlife Refuge** revenues currently used for the **Refuge Revenue Sharing Program**.
- The Administration will once again propose, as part of the FY 2000 budget, a **Timber Revenue Sharing Stabilization** initiative for the **U.S. Forest Service's Payments to States** and the **Bureau of Land Management's Oregon and California Grant Lands** programs. These programs traditionally have shared a portion of the revenue -- 25 percent in the case of USFS and 50 percent in the case of BLM O&C lands -- with local governments (though the USFS revenues go to them through the States). Timber receipts have dropped dramatically as Federal forest managers have responded to endangered species and forest health problems. The stabilization initiative would peg the payments at levels higher than would obtain from the traditional revenue sharing formula. With continuing declines in revenues, this initiative may look more favorable to counties and their Congressional representatives next year.

Premises

- A substantial element of the complaints -- and sometimes, opposition -- from States and local governments about the presence of Federal lands and activities on those lands stems from the perceived failure of the Federal government to fully fund existing authorizations for payments to local governments in lieu of tax revenues. Resolution of these issues, including permanent provision for their funding, will significantly improve relations -- improve Federal agencies' standing as "good neighbors" -- with these units of government and the public.

- Because the land holdings of the Federal Government are tax exempt, local governments lose potential tax revenue on lands within their jurisdiction that are under Federal ownership. However, States and local governments provide services on Federal lands, and often bear impacts from activities on those lands. In the case of onshore Federal lands, the Federal government has acknowledged in Federal legislation a responsibility to compensate local governments for this lost tax revenue through two programs of compensation in lieu of taxes. Counties rely on this compensation to provide essential services, including firefighting, police protection, and the construction of schools and roads. Current appropriations for the Payment in Lieu of Taxes program (covering National Parks, Forests and BLM lands) and Refuge Revenue Sharing for National Refuge lands are at approximately 50 percent and 75 percent, respectively, of authorization levels. The shortfall is about \$106 million per year, and increasing.
- Additionally, local governments seek a predictable revenue flow for these services. Being subject to the often unpredictable Congressional budget process, budgeting is difficult for local governments highly dependent on these Federal payments.
- Given these factors, obtaining a greater measure of good will from jurisdictions including Federal lands by fully funding the payments of lieu of taxes program needs to be a high priority for the Administration. This is all the more so given the **Partnership for America's Resources** initiative to accelerate acquisition of recreation and environmentally sensitive lands managed by the four Federal land management agencies.

Benefits

- Adequate, timely and known payments to local governments through the Federal Lands Good Neighbors Fund would result in several significant benefits. Full funding, provided on a permanent appropriation basis, would:
 - allow local governments to better provide infrastructure and services to support activities on Federal lands;
 - alleviate local resentment or mistrust of the Federal government for failing to meet its authorized obligations; and,
 - improve prospects, by mitigating local government opposition, for Federal programs, like the North American Waterfowl Management Plan, that rely on acquisitions to preserve habitat.

Funding

- The unappropriated balance of the Reclamation Fund, expected to exceed \$2 billion by the end of FY 1999, would be transferred to the Federal Lands Good Neighbors Fund and drawn on as needed to make up the shortfall between annual receipts and expenditures.
- Most of the annual funding for the **Federal Lands Good Neighbors Fund** for the payment in lieu of taxes program would be from anticipated annual surpluses from the existing Reclamation Fund. The Reclamation Fund is derived from three primary sources:
 - repayments and other revenues from water and power users;
 - mineral leasing revenues;
 - receipts from the sale, lease and rental of Federal lands in the 17 Western States.

Reclamation Fund revenues currently exceed withdrawals (principally Bureau of Reclamation operation costs) by about \$165 million per year and the excess is expected to grow by about \$100 million over the next decade. Through the end of FY 1999, the Reclamation Fund is expected to have an unappropriated balance of over \$2 billion, and this is projected to climb to nearly \$4.2 billion within a decade.

- National Wildlife Refuge revenues are expected to continue to contribute about \$10 to \$12 million per year in payments to local governmental entities through the Federal Lands Good Neighbor Fund.
- If included at a later time, the timber revenue sharing stabilization initiative for the Bureau of Land Management and the Forest Service would add about \$340 million to the PAR total. This amount is already included in the FY 2000 budget and OMB's outyear estimates. There would be no incremental cost above those estimates, so they would not add to the net increase in Federal expenditures reflected in the Partnership for America's Resources initiative.
- Program levels and funding sources for the Federal Lands Good Neighbors Fund are set out in the two tables at the end of this section. It should be noted that the 1999 column is provided simply as a basis for comparison. The Fund is proposed to be authorized for the 2000 budget.

Background

- **Payments in Lieu of Taxes** program payments are made by the Bureau of Land Management for lands that it administers, and for Federal lands in the National Forest System, the National Park system, Federal water resource projects, Corps of Engineers dredge areas, inactive or semi-active Army installations, and several other specific categories of Federally-impacted lands. The amounts authorized to be paid reflect the greater of the following amounts:

- \$1.65 per acre times the number of eligible acres in a county minus the amount of funds received by the county in the prior fiscal year under certain other Federal programs, or
- 22 cents per acre

Authorized payments also are limited for each county based on population. Additionally, there are temporary payments authorized for recently acquired Federal lands based on the market value of the land and pre-purchase property taxes.

- **Refuge Revenue Sharing** payments are authorized to be made by the Fish and Wildlife Service based on the greatest of the following amounts:
 - Five cents per acre;
 - 3/4 of one percent of the appraised value; or,
 - 25 percent of the net receipts produced from the land.
- **Appropriations.** The Bureau of Land Management's PILT program is financed entirely by direct appropriations. The Refuge Revenue Sharing program is financed from receipts from compatible commercial activities on National Wildlife Refuges and direct annual appropriations.
- **Shortfall Allocation.** When, as has usually been the case, appropriations are less than the authorized payments, the shortfall is prorated among the local governments receiving payments. For FY 1997, the shortfalls were:
 - Payment in Lieu of Taxes (PILT): \$99 million (met 53.3 percent of \$212 million authorization).
 - Refuge Revenue Sharing: \$7 million (met 72.5 percent of \$24 million authorization).

Federal Lands Good Neighbors Funding Proposal Compared with FY 1999 Funding Level
(\$ millions)

Program Expenditures	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
BLM Payments in lieu of taxes	125	263	271	279	288	296	305	314	324	333	343
FWS Refuge Revenue Sharing	17	28	29	30	31	32	33	34	35	36	37
Total Federal Lands Good Neighbor Fund	142	291	300	309	319	328	338	348	359	369	380

NOTE: Budget numbers in the 1999 column represent the FY 1999 President's Budget.

Federal Lands Good Neighbor Fund: Funding Sources
(\$ millions)

Funding Sources	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Transfer Reclamation Fund Unappropriated Balance	2,196	--	--	--	--	--	--	--	--	--
Excess Mineral Resources	167	175	183	195	204	217	230	245	262	281
Refuge Revenues	10	10	11	11	11	11	12	12	12	12
Net Revenues	2,373	185	194	206	215	228	242	257	274	293
Less: Federal Lands Good Neighbor Fund Program Costs	291	300	309	319	328	338	348	359	369	380
Carryforward Balance	0	2,082	1,967	1,852	1,739	1,626	1,516	1,410	1,308	1,213
Remaining Unappropriated Balance	2,082	1,967	1,852	1,739	1,626	1,516	1,410	1,308	1,213	1,126

NOTE: Budget numbers in the 1999 column represent the FY 1999 President's Budget.

Program Financing

Basic Financing Concept

The funding mechanisms proposed as part of the **Partnership for America's Resources** are based on fully utilizing existing dedicated receipt sources and adding several new dedicated receipt funds using OCS receipts. The preponderant share in dollar terms represents current dedication of revenues to specific purposes, which amounts have historically not been appropriated in full. As a result, the **Land and Water Conservation Fund**, **Historic Preservation Fund**, and **Abandoned Mine Reclamation Fund** will have an unappropriated balance of dedicated revenues of approximately \$16.3 billion by the beginning of FY 2000 and are projected to increase to \$24.0 billion within a decade. In addition, the unappropriated balance of the **Reclamation Fund** is projected to increase from \$2 billion to \$4.2 billion. This fund is managed by the Bureau of Reclamation to finance certain water projects. Receipts deposited into the Reclamation Fund are projected to increase by roughly \$100 million per year over the next decade with revenues derived in roughly equal amounts from onshore mineral receipts and from revenues generated from Bureau of Reclamation projects. The onshore mineral receipts are largely derived from mineral leases on Bureau of Land Management and Forest Service lands. The tabular information presented in the appendix details the funding sources and the build up of unappropriated balances in these four funds projected for the next decade.

The distribution of OCS program revenues and of the mineral revenues deposited to the Reclamation Fund is also shown in the appendix. It should be noted that the balance of the onshore mineral revenues are used for payments to States and to cover royalty management costs of the Minerals Management Service. The combination of revenue inflows and the unappropriated balance in the Reclamation Fund are sufficient to cover all proposed expenditures.

While the unappropriated balances in the **Land and Water Conservation Fund**, **Historic Preservation Fund**, **Abandoned Mine Reclamation Fund**, and **Reclamation Fund** represent a significant contribution to deficit reduction made over the past several decades, the first three funds also represent a significant failure to honor the initial premise and promise of the programs to dedicate specific sources of funds obtained from depletion of natural resources to meet long term environmental and historic preservation goals. The lost opportunity to permanently protect environmentally sensitive or recreation lands reflected in the unappropriated balance in the **Land and Water Conservation Fund**, for instance, is approximately equal to the current backlog of land acquisition from the four major Federal land management agencies. Similar results can be cited for the Land and Water Conservation Fund State grant, Historic Preservation Fund and Abandoned Mine Reclamation Fund programs.

The **Partnership for America's Resources** initiative is designed to remedy the failure to honor the original promise to help meet land protection and historical preservation goals as part of whatever new Federal budget resolution or Act is proposed by the Administration for the FY 2000 budget, without requiring new offsets. This design takes into account the facts that the need for environmental and historic resources protection and restoration is great and has been building while key lands and resources have been developed, degraded, lost, or not restored. It also takes into account that fact that further contributions to deficit reduction are less urgent than in the past several decades and that the strong development pressures of a strong economy tip the balance toward accelerating land and resource protection and restoration through the **Partnership for America's Resources**.

Financing PAR Using an Investment Approach

The basic concept for the investment approach is essentially that of a perpetuity -- a true trust fund where the principal is never touched -- and would be easily explainable to Congress and the public. It would take the unappropriated balances of the current funds (\$12.4 billion in the case of the LWCF) and the annual amounts deposited to them (\$900 million per year in the case of the LWCF -- mostly from OCS receipts), and invest them in Treasury notes or other Treasury instruments, as is done currently with the **Abandoned Mine Reclamation Fund**. The programs would then operate using interest generated from those trust funds. For the LWCF, this could generate \$600 to \$700 million in interest income the first year, and then increase by \$45 to \$60 million per year thereafter, depending on applicable interest rates. Similar results would obtain for the **HPF**, for which investment income could start at about \$125 million and then increase \$8-9 million per year thereafter. For those parts of the **Federal Lands Good Neighbors Fund** to be financed from excess **Reclamation Fund** balances and mineral receipts, costs in excess of the FY 1999 base could be financed by transferring the Reclamation Fund unappropriated balance and annual additions thereto to the fund, investing the unexpended balances, and using the interest revenue.

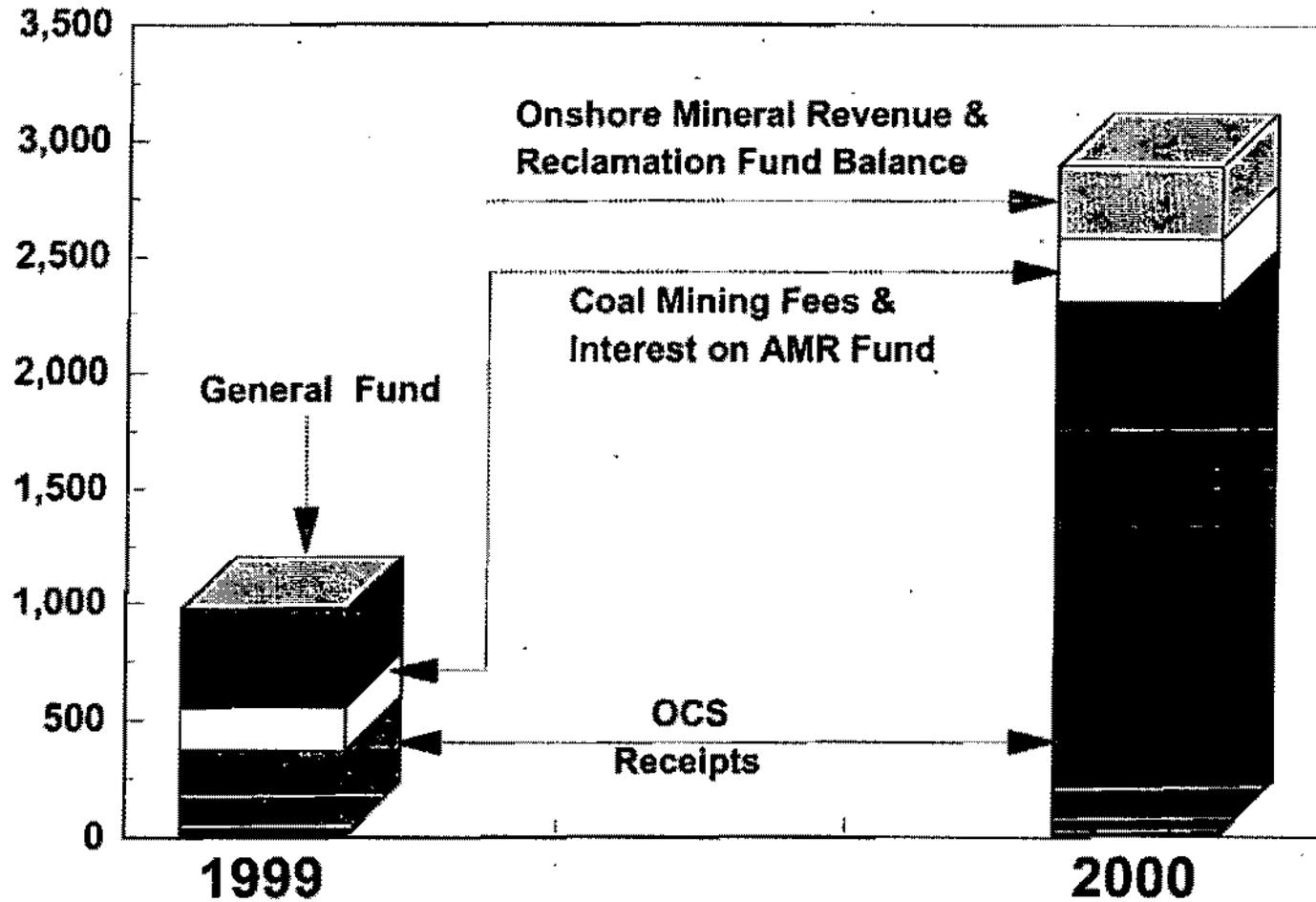
The investment approach would not provide nearly as much funding in the early years as the **PAR** initiative, which fully funds all elements right from the start using dedicated revenues, as described in previous sections. Also, the growth of available investment income would be gradual. Comparatively, this would result in a substantial reduction in benefits derived in the early years. The investment approach would, however, continue to build balances that would generate increasing amounts of interest revenues for the programs over the long run. Benefits in the later years, especially after about 2005, would continue to expand beyond the traditional annual receipt limits for the LWCF and HPF of \$900 and \$150 million each year, respectively. Within approximately a decade, by FY 2009, the LWCF could generate about \$1.1 to \$1.2 billion annually in available interest and the HPF about \$200 million.

The investment concept described above is focused on the LWCF, HPF and, to a lesser extent, the Federal Lands Good Neighbors Fund, but could be used flexibly to fund other PAR initiatives as the interest income increased. Any number of combinations of uses of the available interest among the different programs could be developed. Additionally, phase in of all of these programs under the investment approach could be accelerated by use of additional dedicated OCS receipts (beyond the current annual deposits to the LWCF and HPF) as proposed in the Dingell-Young initiative, or by a slow phase out of direct appropriations.

Program Financing Charts

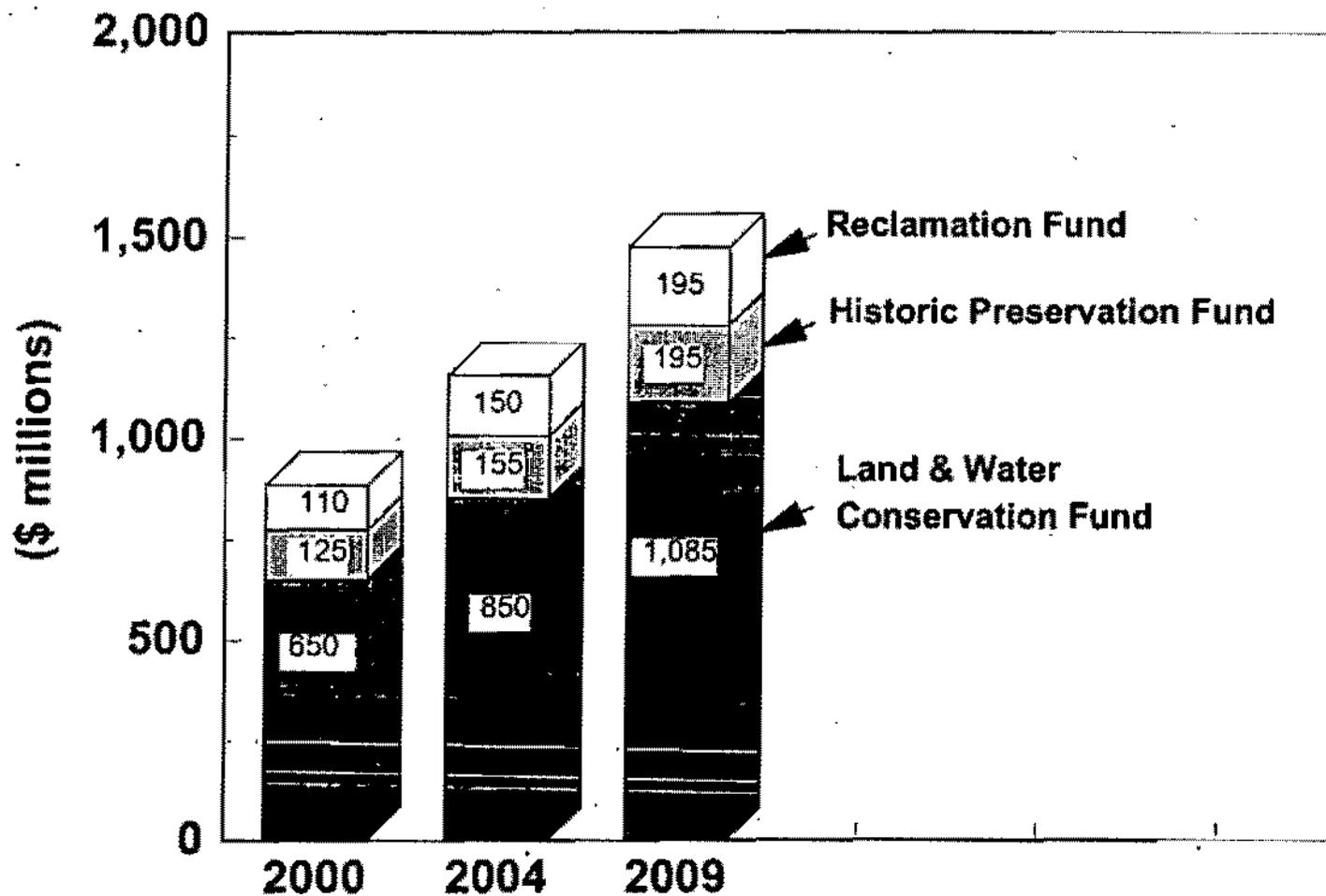
The following charts provide examples of two financing approaches. The first shows the relative amount of funding from different sources for the PAR initiative for FY 2000 as it is presented in the previous sections. The second shows an example of the growth in interest income generated by the investment approach. For the investment approach, the data assume a first year drawdown from the corpus of the trust to initiate the financing program, investment of the unappropriated balance at the start of FY 2000, and investment of the annual income deposited to the fund. The interest income would be available for program expenditures. The numbers are approximate, rounded to the nearest \$5 million, use a 5 percent interest rate, and include a number of assumptions about the investment of unexpended balances.

MAJOR FUNDING SOURCES (\$ Thousands)



Excludes \$10 M Refuge Revenue & \$3 M Surplus Property Sales & Motorboat Fuel Tax

POTENTIAL ANNUAL INVESTMENT INCOME OF SELECTED DEDICATED FUNDS



APPENDIX: Fund Balances

The following tables and explanations reflect projected deposits to, appropriations from, and unappropriated balances of four dedicated receipt funds associated with the Partnership for America's Resources Program concept for the period from FY 1998 through FY 2009. The tables reflect that estimated unappropriated balances in the four funds are projected to total \$18.3 billion at the end of FY 1999. A decade later, they are projected to climb to \$28 billion, an increase during the decade of \$10.7 billion.

Estimates of Outer Continental Shelf (OCS) oil and gas receipts and their distribution are shown since OCS revenues currently finance two of the dedicated receipt funds and are proposed to finance all or part of four additional dedicated funds. Estimates are also shown for National Wildlife Refuge revenues for the National Wildlife Refuge Fund. Those amounts would continue to be dedicated to that purpose.

Land and Water Conservation Fund

The Land and Water Conservation Fund was established by the Land and Water Conservation Fund Act of 1965, as amended, 16 U.S.C. 4601-4 through 11. Under current law, a total of \$900 million is deposited annually to the Land and Water Conservation Fund, composed of receipts from Surplus Property Sales, \$1 million from Motorboat Fuels Tax, and the balance from OCS receipts. The Land and Water Conservation Fund is used to support land acquisition, State outdoor recreation grants, and related administrative expenses. The table below shows estimated deposits, appropriations, and the end of fiscal year balance for FY 1998 through FY 2009. For FY 2004 and beyond, the estimates of appropriations from the Land and Water Conservation Fund are straight-lined because budget estimates are not known at this time.

Estimated Land and Water Conservation Fund Receipts, Appropriations, and Net Balance (\$ millions)

Receipts & Outlays	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Surplus Property Sales and Motorboat Fuels Tax	44	3	3	3	3	3	3	3	3	3	3	3
OCS rents, bonuses, royalties	856	897	897	897	897	897	897	897	897	897	897	897
Total	900	900	900	900	900	900	900	900	900	900	900	900
Appropriations	999	299	374	428	428	428	428	428	428	428	428	428
Annual Surplus/Deficit (Excess/shortfall of revenues over appropriations)	-99	601	526	472	472	472	472	472	472	472	472	472
Unobligated balance returned to receipts	30	30	30	30	30	30	30	30	30	30	30	30
Fund Balance (includes 1998 balance of \$11.8B)	11,793	12,424	12,980	13,482	13,984	14,486	14,988	15,490	15,992	16,494	16,996	17,498

NOTE: Appropriations in the 1998 column are actual; in the 1999 column, appropriations represent the FY 1999 President's Budget.

Historic Preservation Fund

The Historic Preservation Fund was established by the Historic Preservation Fund Act of 1966, as amended, 16 U.S.C. 470. Under current law, a total of \$150 million is deposited annually to the Historic Preservation Fund from OCS receipts. The Historic Preservation Fund is used to preserve intellectual and cultural artifacts and historic structures and sites. The table below shows estimated deposits, appropriations, and the end of fiscal year balance for FY 1998 through FY 2009.

Estimated Historic Preservation Fund Receipts, Appropriations, and Net Balance (\$ millions)

Receipts & Outlays	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OCS rents, bonuses, royalties	150	150	150	150	150	150	150	150	150	150	150	150
Appropriations	44	101	101	46	41	41	42	43	44	45	46	46
Annual Surplus/Deficit (revenues vs appropriations)	106	49	49	104	109	109	108	107	106	105	104	104
Fund Balance (includes FY 1998 balance \$2.2B)	2,316	2,365	2,414	2,518	2,627	2,736	2,844	2,951	3,057	3,162	3,266	3,370

NOTE: Appropriations in the 1998 column are actual; in the 1999 column, appropriations represent the FY 1999 President's Budget.

Abandoned Mine Reclamation Fund

A tax of 35 cents per ton on surface coal, 15 cents on underground coal, and 10 cents on lignite mined in the United States is deposited to the Abandoned Mine Reclamation Fund, and subject to annual appropriation, are used to reclaim abandoned mine sites and related stream damage. The fund balance is invested, but most of the interest earned is transferred to the United Mine Workers of America Combined Benefits Fund (CBF) for payment of health benefits for miners (and their dependents) whose companies have gone out of business. The portion of the interest which exceeds the needs of the CBF is available for appropriation to reclaim lands.

Authority for the tax expires in 2004. Receipt and appropriation estimates for 2005 and beyond assume reauthorization but appropriations are straight-lined because no estimates were made for those years in the 1999 budget.

The end of fiscal year 1997 balance of the fund was \$1.222 billion.

Estimated Abandoned Mine Land Fund Receipts, Appropriations, and Net Balance (\$ millions)

Receipts and Outlays	1998	1999	2000	2001	2002	2003	2004	2005*	2006*	2007*	2008*	2009*
Receipts	370	376	383	395	402	407	416	426	439	450	461	461
Appropriations	214	253	255	256	256	257	261	261	261	261	261	261
Annual Surplus (Excess of revenues over appropriations)	156	123	128	139	146	150	155	165	178	189	200	200
Fund Balance (includes FY 1998 balance \$1.2B)	1,378	1,501	1,629	1,768	1,914	2,064	2,219	2,384	2,562	2,751	2,951	3,151

NOTE: Appropriations in the 1998 column are actual; in the 1999 column, appropriations represent the FY 1999 President's Budget.

*Authority for the Abandoned Mine Land Fund under the Surface Mining Control and Reclamation Act of 1997, Public Law 95-87, as amended, expires in 2004. Receipt estimates assume reauthorization, and appropriation estimates straight-line estimates for 2004.

Reclamation Fund Receipts

The Reclamation Fund is derived from receipts from the following sources: about 40 percent of onshore mineral leasing revenues on Federal lands; sale of power and water and other utilities; about 76 percent of the proceeds from the sale of public lands and public domain timber; and repayments and other revenues from water and power users. The Reclamation Fund is available for expenditure pursuant to appropriation acts. Estimates of appropriations from the Reclamation Fund have been made through FY 1999 based on budget estimates for specific projects. For FY 2000 and beyond, the estimates of appropriations from the Reclamation Fund are straight-lined because budget estimates for individual projects are not known at this time. As of the end of FY 1997, the unappropriated balance of the Reclamation Fund is \$1.7 billion.

Estimated Reclamation Fund Receipts, Appropriations, and Net Balance (\$ millions)

Receipts	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Onshore mineral leasing	463	479	481	489	497	509	518	531	544	559	576	576
Other revenues	491	495	495	495	495	495	495	495	495	495	495	495
Total	954	974	976	984	992	1,004	1,013	1,026	1,039	1,054	1,071	1,071
Appropriations	790	809	809	809	809	809	809	809	809	809	809	809
Annual Surplus (revenues vs appropriations)	164	165	167	175	183	195	204	217	230	245	262	262
Fund Balance (includes FY 1998 balance of \$1.7B)	1,864	2,029	2,196	2,371	2,554	2,749	2,953	3,170	3,400	3,645	3,907	4,169

NOTE: Appropriations in the 1998 column are actual; in the 1999 column, appropriations represent the FY 1999 President's Budget.

National Wildlife Refuge Fund

The Refuge Revenue Sharing Act permanently appropriates revenues from the sale of products from Fish and Wildlife Service refuge lands, less expenses in collecting and distributing the revenues, for payments to counties. If revenues are insufficient to make full payments according to the formula in the act, direct appropriations are authorized to make up the difference.

Estimated Refuge Revenue Sharing Receipts (\$ millions)

Receipts & Outlays	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Refuge Revenue Sharing Receipts	9	10	10	10	11	11	11	11	12	12	12	12
General Fund Appropriations	11	11	10	10	10	10	10	10	10	10	10	10
Payments to counties	20	21	20	20	21	21	21	21	22	22	22	22
Fund Balance	0	0	0	0	0	0	0	0	0	0	0	0

NOTE: Appropriations in the 1998 column are actual; in the 1999 column, appropriations represent the FY 1999 President's Budget.

OCS Receipts and Fund Distributions

Outer Continental Shelf (OCS) receipts are collected by the Minerals Management Service, and are produced from oil and gas leasing on the OCS. There are three types of revenues: *bonuses*, which are up-front payments for the right to lease OCS tracts; *rents*, which are annual amounts paid on non-producing tracts; and *royalties*, which are based on a percentage of the value of the minerals produced under the lease agreements. Annually, about \$900 million of the receipts are deposited to the Land and Water Conservation Fund, and \$150 million to the Historic Preservation Fund. The balance is deposited to the General Fund of the Treasury. At the end of fiscal year 1997, the unappropriated balances of the Land and Water Conservation Fund and Historic Preservation Fund were \$11,861 million and \$2,210 million respectively. (See next page for additional detail).

In addition to the OCS revenues reported as receipts (shown below), MMS is permitted to expend a portion of OCS rents. The amount, \$65 million in FY 1998 and proposed for \$94 million in the 1999 budget, is specified annually in the Interior appropriation act. Also, in addition to the OCS receipts shown below, payments are made to coastal States from a portion of OCS revenues associated with tracts in the so-called 8(g) area, which is a 3-mile wide overlap of Federal and State waters on the continental shelf.

In addition to 27 percent of rents, bonuses, and royalties on 8(g) tracts, OCS coastal States received \$65 million in settlement payments in 1998 and will continue to receive that amount through the year 2000.

Estimated OCS Receipts (\$ millions)

Receipts	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Rents and Bonuses	1,520	1,425	208	877	789	725	665	612	589	570	570	570
Royalties	3,467	3,530	3,403	3,632	3,819	3,454	3,350	3,255	2,904	3,072	3,254	3,254
Total	4,987	4,955	4,311	4,509	4,608	4,179	4,015	3,867	3,493	3,642	3,824	3,824

Current distribution of OCS Receipts (\$ millions)

Distribution by Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Land Water Conservation Fund	856	897	897	897	897	897	897	897	897	897	897	897
(Deposits to LWCF from Surplus Property Sales and Motorboat Fuel Tax)	(44)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Historic Preservation Fund	150	150	150	150	150	150	150	150	150	150	150	150
General Fund	3,981	3,908	3,264	3,462	3,561	3,132	2,968	2,820	2,446	2,595	2,777	2,777