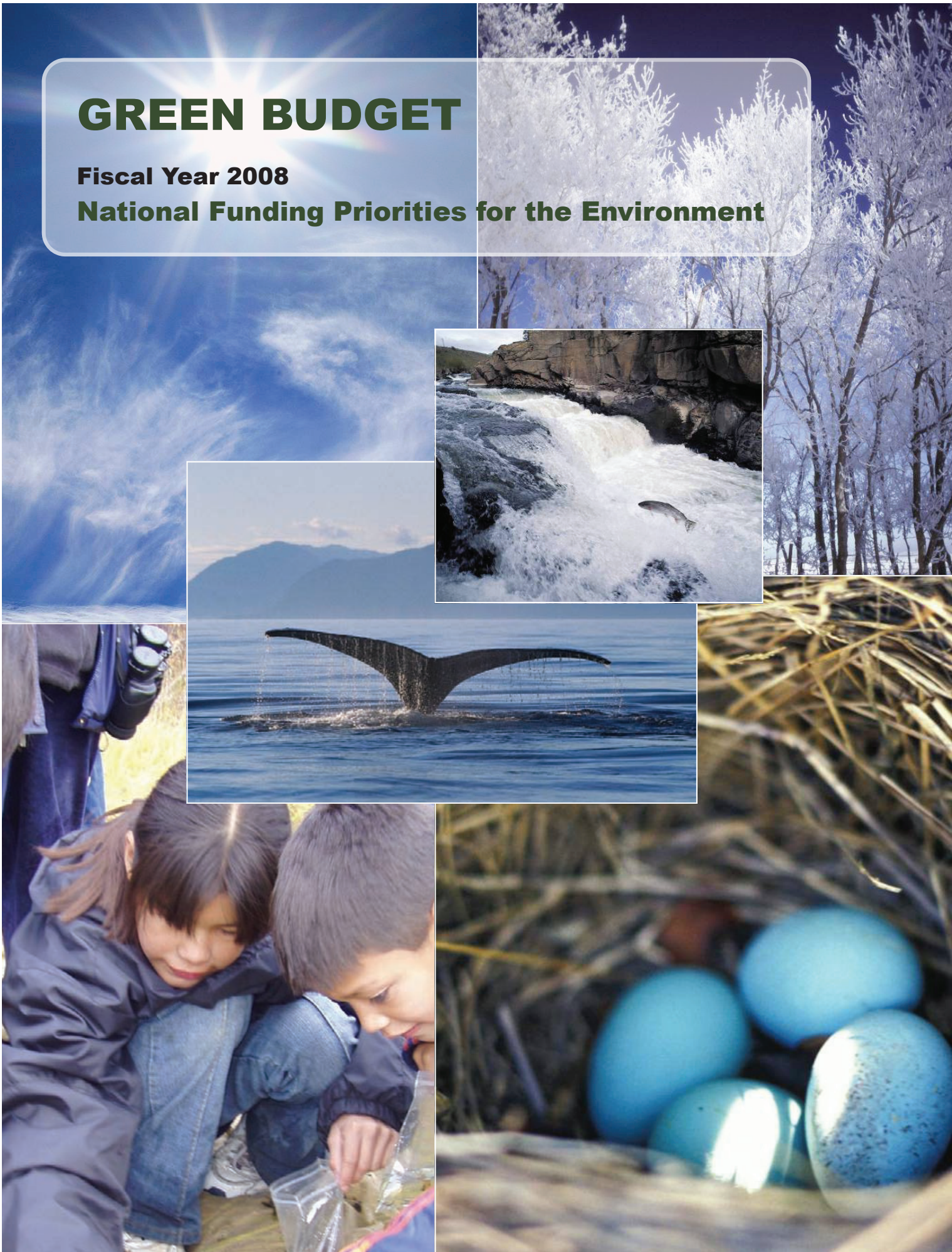


GREEN BUDGET

Fiscal Year 2008

National Funding Priorities for the Environment





GREEN BUDGET
Fiscal Year 2008

January 2007

National Funding Priorities for the Environment

As they consider the FY 08 budget, the 110th Congress faces a stark and momentous choice. Congressional appropriators can continue their predecessors' six-year pattern of relentless, deep and damaging cuts to the federal programs that protect our air, water, climate, wildlife and public lands. Or they can choose to reverse that trend, and begin to restore funding to key environmental protection and conservation programs. Which will they choose?

Experts agree that relatively small investments in conservation programs can have enormous positive impacts. Investing in a natural, clean, and healthy environment will not only preserve our natural resources for the next generation of Americans, but will also minimize climate disruptions from global warming, prevent unnecessary illness and premature death, and result in economic growth. Money spent protecting the environment creates jobs and new domestic and international markets for products, environmental management services and technology. America's business community stands poised to invest in and perfect efficient products that reduce pollution and protect the environment. A federal commitment to support environmental protection is vital to move the American economy to a greener future.

The 110th Congress has the opportunity to turn the tide and provide a real investment in the environment to help create a stable and sustainable future. Adequate funding for the programs listed in this document will provide critical resources to ensure we can combat global warming, breathe healthy air, drink clean water, appreciate our natural heritage and enjoy wildlife. A healthy environment is essential for public health. Sensible management of natural resources and a commitment to energy security are vital for America's long-term well-being.

Shifting funding from programs that harm the environment or line the pockets of polluters immediately frees up money for investments in our environment. These destructive programs include subsidies for logging our national forests, incentives for grazing on public lands, water resource projects whose costs substantially outweigh their benefits and handouts for oil and gas companies that are currently earning record profits.

The following report provides an "investor's guide" to Federal environmental programs. It outlines the most critical needs for many important environmental programs, with an emphasis on those most in need of immediate attention. But it also represents the areas where small investments of federal dollars can bear the largest dividends, and where infusions of federal money can go the farthest toward protecting the clean water we drink, the air our children breathe, and the wild and wonderful creatures and landscapes that our grandchildren will look upon in wonder and gratitude. The funding levels that are requested represent modest increases and the beginning of a reversal of the current downward funding spiral. The recommendations were developed through our expert analysis of each program. We offer this guidance for the White House and Congress as funding priorities are being set for the FY 08 budget.

Combating Global Climate Change

The most important environmental priority for the 110th Congress is the enactment of strong global-climate change legislation—specifically, legislation that caps emissions of carbon dioxide and the other heat-trapping gases that are released primarily through combustion of fossil fuels. Smart federal investments in energy efficiency and renewable energy can play an important role in enabling the U.S. to cut its emissions while continuing to expand its economy and enhancing national security.

Scientists around the world warn that an additional global warming of two degrees Fahrenheit or more would be extremely dangerous. Global warming already is causing more severe storms, heat waves, droughts, and the spread of malaria and other diseases. An additional two-degree global temperature increase could cause the extinction of many species, the death of coral reefs and, eventually, a 20 foot rise in sea levels due to the irreversible melting of the Greenland ice sheet.

To prevent that two-degree increase, the growth in worldwide emissions of heat-trapping gases must be reversed within the next 10-15 years. Most of those emissions result from burning coal and natural gas in power plants and petroleum in cars and other vehicles.

The United States should lead the world in addressing this challenge. In doing so, we can build a new energy economy that will create new jobs and opportunities for American business and agriculture producing clean power, clean cars, and clean, sustainable fuels. Because American leadership is necessary to spur all nations to action, and because we contribute one-quarter of the world's heat-trapping gases, progress in the United States is essential.

To prevent dangerous global warming while allowing for a reasonable transition in developing nations, the U.S. needs to start cutting global warming pollution now and keep cutting emissions by an average of around 2 percent of today's levels every year. Specifically, U.S. emissions in 2020 should be at least 15-20 percent below current levels (this is equivalent to 1990 levels). By mid-century, U.S. emissions need to be reduced on the order of 80 percent.

A variety of *existing* technologies can be deployed to achieve these goals, and the right policies will spur investment and innovation to create new clean, sustainable fuels and technologies. By solving this problem wisely, we can create jobs and improve our standard of living as we tackle this dangerous problem.

But we must act quickly. Carbon dioxide remains in the atmosphere for generations; the longer we wait, the more aggressive our actions will have to be.

In addition to enacting a strong cap on emissions of heat-trapping gases, Congress must sustain funding at or above historic levels for the core renewable energy and energy efficiency programs in the U.S. Department of Energy (DOE) as well as in other federal agencies. Federal investments in energy efficiency are not only a key tool in combating climate change, but are also a major bargain for taxpayers: Every federal dollar spent promoting more efficient lighting, heating and cooling, home appliances, and office machines saves consumers an average of \$75.

Enhanced spending on renewable energy research and development peaked in the late 1970s at \$1.4 billion (2003 dollars), dropping precipitously to about \$400 million by 2003. Federal funding for

Combating Global Climate Change

energy efficiency research and development followed a similar path, with funding slashed by about two-thirds during the 1980s. In FY 05, Congress appropriated \$584 million for energy efficiency research and development, 15 percent less than was spent in FY 1980. Congress must now make a large and sustained commitment to develop the next generation of clean energy technologies by increasing funds for research and development efforts to advance energy efficiency and renewable energy.

One clear way to reduce carbon-dioxide emissions is to invest in more efficient modes of transportation. A new report by ICF International entitled, "Public Transportation and Petroleum Savings in the U.S.: Reducing National and Household Dependence on Oil," has found that current public transportation service in the United States reduces overall petroleum consumption by millions of gallons a day, preventing significant carbon dioxide emissions. Investing in the modernization of our country's transportation infrastructure is critical to combating global climate change, whether by developing efficient and effective public transportation or passenger rail (one of the most fuel-efficient forms of transportation using less energy per passenger-mile than most airplane and automobile travel), or by increasing the efficiency of car engines.

Even though final action on the FY 07 appropriations bills failed to happen in the 109th Congress, consensus was reached between Congress and the White House to expand a number of sustainable energy programs as well as launch several new energy efficiency and/or renewable energy initiatives; this consensus must extend into the 110th Congress and the FY 08 budget and appropriations process.

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**The organizations listed on the back cover do not necessarily endorse or have expertise on every recommendation in this report. Please refer to the Program Contacts at the end of this document for more information on a particular program.*

***The FY 06 enacted numbers listed in this report assume that the across-the-board cuts called for in the FY 06 Interior, Environment and related agencies and the Department of Defense appropriations bills were applied evenly to all programs.*

Army Corps of Engineers

Project Modification for Improvement of the Environment

The Project Modification for Improvement of the Environment program (Section 1135) allows the U.S. Army Corps of Engineers (Corps) to restore river systems degraded by existing Corps projects. Under Section 1135, the Corps can modify existing dams and flood control projects to increase habitat for fish and wildlife and restore areas affected by Corps projects. Non-federal interests must provide 25 percent of project costs, and modifications must not interfere with a project's original purpose.

FY 08 Recommendation:

Project Modification for Improvement of the Environment-\$25 million
A decrease of \$5 million over the FY 06 enacted level of \$30 million

Aquatic Ecosystem Restoration

A relatively recent addition to the Corps' environmental restoration arsenal is Section 206, the Aquatic Ecosystem Restoration program, established in 1996. Section 206 allows the Corps to undertake small-scale projects to restore aquatic habitat, even in areas not directly harmed by past Corps projects. Projects carried out under this program must improve the quality of the environment, be in the public interest, and be cost-effective. Individual projects may not exceed \$5 million, and non-federal interests must contribute 35 percent of project costs.

FY 08 Recommendation:

Aquatic Ecosystem Restoration-\$25 million
A decrease of \$5 million over the FY 06 enacted level of \$30 million

Estuary Restoration Act of 2000

For more than a century, development, alteration of natural flows, dredging, damming, mining and logging operations, and irrigation have all transformed the ecology of estuaries from San Francisco Bay to the Chesapeake Bay, in many instances severely damaging these vital ecosystems. The Estuary Restoration Act of 2000 created the Estuary Habitat Restoration Council to develop a strategy for coordinating and prioritizing estuary restoration while enhancing estuary monitoring, data sharing, and research capabilities. If fully funded at its authorized level, the Act would restore one million acres of estuary habitat by 2010.

FY 08 Recommendation:

Estuary Restoration Act of 2000-\$6 million
An increase of \$5 million over the FY 06 enacted level of \$1 million

Army Corps of Engineers

Flood Hazard Mitigation and Riverine Restoration (Challenge 21)

Escalating flood losses are a national concern. Over the past 25 years, the federal government has spent more than \$140 billion for traditional structural flood control projects and flood damage recovery. Flooded communities are increasingly seeking and implementing non-structural solutions to reduce flooding. In addition to reducing flood losses, non-structural projects help meet many other goals of riverside communities, including improving water quality, increasing opportunities for recreation, and improving and restoring wildlife habitat. Challenge 21, a flood damage reduction program authorized in 1999, is designed to help support non-structural flood control solutions. Challenge 21 allows the Corps to relocate vulnerable homes and businesses in smaller communities, restore floodplain wetlands, increase opportunities for riverside recreation, and improve quality of life in riverside communities. Challenge 21 also authorizes the Corps to work with other federal agencies to help local governments reduce flood damages and conserve, restore, and manage riverine and floodplain resources with local communities providing 35 percent of project costs.

FY 08 Recommendation:

Flood Hazard Mitigation and Riverine Restoration Program-\$2 million
An increase of \$2 million over the FY 06 enacted level of \$0

Upper Mississippi Environmental Management Program: IL, IA, MN, MO & WI

The Upper Mississippi River Environment Management Program (EMP) is a leading example of the type of collaborative process the federal government can use to develop a balanced and sustainable river plan. The mission of the EMP is to “ensure the coordinated development and enhancement of the Upper Mississippi River System,” which stretches from Minneapolis, Minnesota to Cairo, Illinois. This preeminent large river science program has made major strides in determining the status and trends of habitat and species change, resulting in meaningful data used daily by resource managers.

Specifically, the EMP enhances and rehabilitates riverine wetland areas up and down the river stimulating transportation uses, attracting visitors, adding recreational opportunities, and bolstering local economies. For more than a decade, the EMP program has been struggling financially to meet a proven need for habitat restoration and long-term monitoring on the river. Full funding of this program can make a real difference in reversing 150 years of habitat degradation.

FY 08 Recommendation:

Environmental Management Program-\$33.5 million
An increase of \$13.7 million over the FY 06 enacted level of \$19.8 million

Army Corps of Engineers

Lower Mississippi River Resource Assessment

For more than 10 years the states along the lower Mississippi River have joined together through the Lower Mississippi River Conservation Committee to work toward cooperative management of the lower Mississippi River. The Lower Mississippi River Resource Assessment (LMRRA) was authorized by Congress in section 402 of the Water Resources Development Act of 2000. Conducting the Lower Mississippi River Resource Assessment is the first step in consolidating into one region-wide assessment all information about the current status of aquatic habitat in the 954-mile-long Lower Mississippi River, specific habitat development/enhancement opportunities to restore the river ecosystem, and recreational needs. This stretch of the river has pumped more than \$50 billion cumulatively into the annual economies of Arkansas, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee through river-related tourism and wildlife-associated recreation. The LMRRA could greatly aid the Corps' congressionally mandated environmental mission in the lower Mississippi River alluvial valley, and the Department of the Interior's missions related to management of fisheries, national wildlife refuges and parks, migratory birds, and endangered species.

FY 08 Recommendation:

Lower Mississippi River Resource Assessment-\$1.5 million

An increase of \$1.5 million over the FY 06 enacted level of \$0

Missouri River Fish and Wildlife Recovery Project: IA, NE, KS & MO

The Missouri River Fish and Wildlife Recovery Project is the primary habitat restoration program for the lower Missouri River between Sioux City and St. Louis. Congress established it in 1986, primarily to help reverse the long-term impact on habitat due to the federally sponsored channelization and stabilization projects of the Pick-Sloan era. Supporting the Missouri River Fish and Wildlife Recovery Project will help reverse the decline of river wildlife by restoring historic chutes, side channels, wetlands, backwaters, and other habitat that fish and wildlife need to survive.

FY 08 Recommendation:

Missouri River Fish and Wildlife Recovery Project-\$82 million

An increase of \$28.1 million over the FY 06 enacted level of \$53.9 million

Army Corps of Engineers

Lower Columbia River Ecosystem Restoration OR & WA

Coastal estuaries in the Pacific Northwest play a vital role in supporting healthy stocks of wild salmon, steelhead trout, and other species and improving the quality of life of countless communities. They provide critical habitat for other fish and wildlife, offer abundant recreational opportunities, and improve water quality by filtering out toxic contaminants, sediments, and other pollutants. The Northwest Coastal Estuary program, run by the Corps, is a stakeholder-driven program that offers a great opportunity to enhance fish and wildlife habitat on the Lower Columbia River and Tillamook Bay. The program is designed to restore more than 16,000 acres of critical fish and wildlife habitat, augment existing monitoring efforts, and help citizens protect and manage resources by bringing together local governments, state and federal agencies, environmental groups, ports, and citizens.

FY 08 Recommendation:

Lower Columbia River Ecosystem Restoration-\$3 million

An increase of \$1 million over the FY 06 enacted level of \$2 million

Minnesota River Integrated Watershed Analysis MN, SD, IA & ND

The Minnesota River flows 355 miles from its headwaters in northeastern South Dakota to its confluence with the Mississippi River in St. Paul, Minnesota, draining 16,770 square miles of watershed in the process. The watershed originally included a significant amount of wetlands and lakes providing habitat to a large variety of wildlife. This natural system was able to manage flood conditions safely and provide clean drinking water. Wetland drainage and conversion of the land to urban and agricultural uses have destroyed more than 90 percent of the wetlands, significantly decreasing the diversity of wildlife and increasing the likelihood of floods and the introduction of more nutrients and other pollutants to the river system. Additionally, several dams in the basin prevent natural fish migration. The Minnesota River Integrated Watershed Study will lay the groundwork for effective restoration and management of the watershed.

FY 08 Recommendation:

Minnesota River Integrated Watershed Analysis-\$2.8 million

An increase of \$2.8 million over the FY 06 enacted level of \$0

Army Corps of Engineers

Individual Dam Removal River Restoration Projects

Over the past 110 years, the United States has led the world in dam building for a variety of uses, including hydropower, irrigation, flood control and water storage. While they can provide benefits to society, numerous dams have outlived their intended purpose and no longer make sense. Many are old, unsafe, and represent a threat to their river ecosystems. Individual dam removal projects initiated by the Corps need federal appropriations to move forward. These projects will restore natural river functions, restore access to migratory fish habitat, and provide economic benefits to neighboring communities. Each of these projects has been endorsed by a wide range of stakeholders and approved for federal action.

FY 08 Recommendation:

Matilija Dam Removal-\$1 million for construction

An increase of \$0.2 million over the FY 06 enacted level of \$0.8 million

Rindge Dam Removal-\$0.595 million

An increase of \$0.511 million over the FY 06 enacted level of \$0.084 million

Department of Agriculture

Farm Bill Conservation Programs

Natural Resources Conservation Service

The 2002 Farm Bill made an unprecedented commitment to providing farmers and ranchers with the technical and financial assistance they need to enhance wildlife habitat, restore wetlands, and implement practices that improve air, water and soil quality. These voluntary conservation programs also help maintain open space in the face of urban sprawl, and can provide farmers and ranchers with an important income source. Unfortunately, over the past four years, Congress has not lived up to the conservation promises of the Farm Bill; instead, they have consistently shortchanged the conservation programs by as much as 50 percent. Even worse, continuing to fund these important programs at FY 06 levels will cut additional funds from conservation programs. This pattern has real consequences both for environmental quality and for the farmers and ranchers who need assistance.

The conservation programs within the Farm Bill include: Wetlands Reserve Program (WRP), which provides farmers with cost-share assistance and easements to restore wetlands that have been degraded by agriculture; Wildlife Habitat Incentives Program (WHIP), which provides assistance to producers to improve and protect wildlife habitat; Environmental Quality Incentives Program (EQIP), which provides incentives to producers to help address a wide range of natural resource issues and to comply with environmental laws; the new Conservation Security Program (CSP), which provides income support to producers who implement and maintain stewardship practices on their working lands; Farmland Protection Program (FPP), which offers farmers payments for easements to keep their land in agricultural usage; the new Grasslands Reserve Program (GRP), intended to restore and protect up to 2 million acres of grasslands focusing on grazing lands, grasslands threatened with conversion, and native prairie; and the Conservation Reserve Program (CRP), which provides farmers with incentives to restore and protect highly erodible farmland, farmed wetlands, and riparian buffers.

FY 08 Recommendation:

Fully fund all of the Farm Bill conservation programs at the funding levels mandated in the 2002 Farm Bill, *an increase of \$972 million over FY 06 levels.*

Conservation Security Program: \$450 million
Wetlands Reserve Program: 250,000 acres (\$400 million)
Environmental Quality Incentives Program: \$1.3 billion
Wildlife Habitat Incentive Program: \$85 million
Farm and Ranchland Protection Program: \$97 million
Conservation Reserve Program: 39.2 million acres (\$2.271 billion)
Ground and Surface Water Conservation Program: \$60 million
Agriculture Management Assistance Program: \$20 million
TOTAL: \$4.683 billion

Department of Agriculture

Forest Service

Forest Legacy Program

The USDA Forest Service's Forest Legacy program, authorized in the 1990 Farm Bill, provides matching funds to assist states in conserving private working forests—those that provide an array of environmental services and products. This includes clean air, clean water, carbon sequestration, a variety of fish and wildlife habitats and recreational opportunities, as well as timber and other forest products. Since its inception, the Forest Legacy program has provided over \$286 million in matching funds to conserve nearly 1.5 million acres for forests valued at more than \$589 million. Currently 46 states and territories are active in the program and another three are in the final planning stages. In recent years, the identified demand from participating states has been well over \$200 million annually, and growing rapidly as new states have joined the program. In fact, for FY 07 states submitted projects totaling over 690,000 acres, yet at present funding levels only a fraction of those will be conserved. The recent USDA Forest Service, "Forests on the Edge," report projected that due to increased populations and expanding urban center demands on our forests, over 44 million acres of private forests are likely to see increased conversion pressure over the next three decades.

FY 08 Recommendation:

Forest Legacy Programs—\$100 million

An increase of \$43.5 million over the FY 06 enacted level of \$56.5 million

State and Local Fire Assistance

Comprehensive fire management inherently transcends land ownership boundaries. To ensure successful wildland fire management, state and private lands must be integrated into landscape-scale problem definition and fire management planning. However, less than 10 percent of the \$14 billion appropriated to the National Fire Plan in the last five years has been directed to fire management activities by non-federal partners.¹ To improve the effectiveness and efficiency of national fire management, better parity must exist between appropriations allocated to federal and non-federal land and fire managers. Funding for these programs will help the Forest Service meet its wildland fire management goals (including those of the National Fire Plan, the Healthy Forests Restoration Act (HFRA) and the Western Governors' Association 10-Year Comprehensive Strategy) while increasing the federal government's ability to manage wildland fire because local fire units are often the first to respond to fires on federal lands.

One of the most important state and local fire assistance programs is State Fire Assistance. The State Fire Assistance program provides technical and financial assistance to states for grants to and agreements with communities to implement fire risk reduction activities, fire prevention campaigns, personnel training, public education, and most critically, Community Wildfire Protection Planning. These are the key mechanisms for identifying areas and treatment methods for hazardous fuel

¹ Specifically those line items under The National Fire Plan associated with state and local assistance (except the Economic Action Program which is addressed separately in this document), including Forest Health Management (Coop Lands), State Fire Assistance and Volunteer Fire Assistance under Wildland Fire Management and Forest Health Management (Coop Lands), State Fire Assistance and Volunteer Fire Assistance under State and Private Forestry Appropriations, as well as other State and Private Forestry programs that assist communities in managing forests, including Forest Stewardship, Urban & Community Forestry and Forest Research & Information Analysis (except Forest Legacy, which is also addressed separately in this document). Data source: USFA Budget Justifications 2004, 2005, 2006.

Department of Agriculture Forest Service

reduction projects. Congress has directed that State Fire Assistance funds should be used preferentially to support community wildfire protection planning and plan implementation. However, without federal financial support, communities may not be able to engage meaningfully with public agencies in the identification and prioritization of fuels treatment or significantly reduce the threat of wildfire. These proactive steps towards fire prevention will yield a significant reduction in funding required for fire suppression in the future. Meanwhile, skyrocketing suppression expenditures suggest that taxpayers already foot the bill for private landowners who have not taken the necessary steps to protect their properties. Protecting communities threatened by wildland fire is recognized as the highest priority of federal fire policy, but those words must be matched by action.

No less than 20 percent of the five-year average National Fire Plan appropriations should be allocated to state and local assistance programs generally², and 50 percent of that should be targeted specifically to the State Fire Assistance line item. This should be done through steady increase over three years. The first year should reflect an 80 percent increase of the approximately \$80 million historical average for State Fire Assistance, resulting in a \$144 million appropriation (\$288 million for State and Local Assistance generally). In the second year, a 50 percent increase to \$216 million (\$432 million for State and Local Assistance generally). In the last year, an approximately 30 percent increase would realize the \$285 million target appropriation (\$570 million for State and Local Assistance generally).

FY 08 Recommendation:

State and Local Assistance (State Fire Assistance)-\$288 million (\$144 million)

An increase of \$71.5 (\$65.3 million) over the FY 06 enacted level of \$216.5 million (\$78.7 million)

² This does not include those other line items addressed in this document, Forest Legacy and Community Capacity building (i.e. the Economic Action Program).

Department of Agriculture

Forest Service

Community Capacity Building (Economic Action Program (EAP))

In these fiscally constrained times, effective forest restoration requires partnerships between federal land management agencies and communities. Rural public lands communities are uniquely positioned to efficiently help implement forest restoration projects and investment in the people who will carry out this work is part of investing in the actual on-the-ground work. As such, it is critical that we invest in rural community capacity building. The agencies need programs that deliver grants and technical assistance to build restoration-based businesses and to provide dollars for participatory planning, community collaboration and monitoring. A community capacity-building program provides this support and helps to leverage additional private dollars. It can also serve as an additional funding source for Community Wildfire Protection Plans (in the past the Forest Service's Economic Action program was one of the only sources of funding that communities could use to add wildfire risk assessments and defensible space planning to their community action plans). The federal government should continue to invest in community capacity building programs, with some funds directed specifically to National Fire Plan activities.

FY 08 Recommendation:

Community Capacity Building (National Fire Plan portion) -\$39.5 million (\$12.5 million)
An increase of \$30 million (\$12.5) over the FY 06 enacted level of \$9.5 million for the Economic Action Program (there was no funding allocated for the National Fire Plan portion of this program in FY 06)

Wildfire Suppression Reserve Account

Suppression funds are used to suppress wildland fires that occur on or threaten public lands administered by the Department of the Interior and Forest Service or other lands covered by federal fire protection agreements. The cost of suppression has grown significantly in recent years because of prolonged drought, the build-up of hazardous fuels, and expansion of communities into wildlands, generally accounting for about 40 percent of the National Fire Plan budget request each year. Suppression funding is based on the average costs for the previous 10 years, adjusted for inflation. However, in the past, appropriated dollars for suppression have fallen far short, and even with emergency appropriations, have failed on many occasions to meet the need. As a result, the agencies have had to borrow money from other programs to fund their suppression activities, often those very programs -hazardous fuels reduction and community assistance -that represent the best hope of decreasing the damage and bringing down the costs associated with wildland fire. Recognizing that past borrowing of funds from other agency programs for wildland fire suppression caused project cancellations, strained relationships with partners, and disruptions in management, Congress provided funding for a suppression reserve account. This \$500 million fund was not used during the 2005 fire season, but has since been completely depleted by the 2006 fire season. This supplemental suppression account should continue to be maintained.

FY 08 Recommendation:

Replenish the suppression reserve account-\$500 million (\$400 million for the Forest Service, \$100 million for the Department of the Interior)
An increase of \$500 million over FY 06 (but equal to the funding originally provided in an August 2004 supplemental appropriation and the FY 05 appropriated amount used to replenish the fund)

Department of Agriculture

Forest Service

Roads Maintenance Program

Ongoing logging and mineral extraction has led to the gradual creation of an unsustainable road system in the National Forests. Road decommissioning and maintenance of existing high clearance and closed roads could significantly decrease the direct impacts on fish and wildlife and benefit the health of forest ecosystems. FY 03 was a pivot point for the U.S. Forest Service (USFS) road maintenance program; prior to that year, the Forest Service had been decommissioning roads at a faster rate than creating and reconstructing new roads. However, since 2003 their emphasis has been managing a backlog of \$4.5 billion of deferred maintenance³ and increasing overall miles of road in the National Forest System. The Forest Service requires at least \$532 million to meet its annual road maintenance needs, of that amount at least 25 percent should be appropriated to road decommissioning, and no new taxpayer subsidies should be allocated to build new logging roads. Over several years the road maintenance budget will need to grow to \$819 million dollars to achieve its roads-related responsibilities.

FY 08 Recommendation:

Roads Maintenance Program-\$532 million (\$399 million for annual maintenance and \$133 million for decommissioning)

An increase of \$310 million over the FY 06 enacted level of \$222 million

(Funding for deferred maintenance may be reallocated from the timber program, which is the major source and cause of new roads and increasing backlog.)

Accounting Program

For decades, the Forest Service has had a history of fiscal and accountability problems. Although the Forest Service has moved to improve its accounting practices, continued improvements should take place. Funds necessary to maintain an evolving and effective accounting program should include enough monies to maintain an accurate data collection and storage program, especially with regards to the timber program.

FY 08 Recommendation:

Forest Products Program-accounting monies should be allocated from the timber program

³ Deferred maintenance as defined in USFS 2007 Budget Justification: "maintenance that is not performed as needed or scheduled. Deferred maintenance causes deterioration of infrastructure asset performance, increased repair costs, and a decrease in the asset value."

Department of Agriculture

Forest Service

Recreation, Heritage & Wilderness Programs

The Recreation, Heritage & Wilderness program makes up the largest of the forest uses, and demand for outdoor recreation is fast growing. The Forest Service should primarily encourage recreation that is environmentally sound and devote more institutional focus to planning for the challenge of the projected increase in recreational use.

Wilderness and Wild & Scenic Rivers-wilderness areas make up 20 percent of National Forest lands, and therefore deserve a budget line item separate from Recreation and Heritage. Wilderness and management may seem to be contradictory terms, but without some sort of management to monitor and control the use of wilderness, many outstanding areas would lose the very values they were established to preserve. Currently, only 12 percent of wilderness areas are up to Forest Service standards for wilderness. The Forest Service will never be able to meet their goal laid out in the 10-Year Wilderness Stewardship Challenge to bring all 410 wilderness areas up to wilderness standards by 2014 at the current funding level of \$33 million (allocated to bring 80 wilderness areas and 32 Wild & Scenic Rivers up to the standards).

FY 08 Recommendation:

Wilderness and Wild & Scenic Rivers-\$64 million

An increase of \$31 million over the FY 06 enacted level of \$33 million

Office of International Programs

The effective management of forests, including the animals and plants that live there, is a challenge for countries around the world. Having faced similar forestry challenges, the U.S. government is in a position to assist other countries with best practices and lessons learned. The Office of International Programs (IP) has been able to build long-term conservation partnerships around the world to solve priority problems that require sustained efforts on the ground. Drawing on the diverse Forest Service workforce of scientists, resource managers, international specialists, conservation biologists, and experts in forest health and private land assistance, the IP supports projects in protected area management, migratory species conservation, landscape-level forest planning, fire management training, the curbing of invasive species, forest certification and reduced-impact logging.

FY 08 Recommendation:

Office of International Programs-\$8 million

An increase of \$1 million over the FY 06 enacted level of \$7 million

Department of Agriculture

Forest Service

Wildlife and Fisheries Habitat Management Program

Our national forests and grasslands play an essential role in the conservation of our nation's wildlife and habitat. More than 425 species listed under the Endangered Species Act and an additional 3,250 at-risk species are found on Forest Service lands. These lands encompass an amazing array of habitats, from alpine tundra to tropical rainforest, deciduous and evergreen forests, native grasslands, wetlands and various size streams, lakes, and marshes. National forests often contain significant headwaters and stream reaches important to freshwater creatures like fish, mussels and crayfish, a higher percentage of which are considered at-risk than other species. Many of the larger animals in the U.S. such as grizzly bear, wolverine, elk, Canada lynx and bighorn sheep persist because of Forest Service lands. Since national forests often represent intact connected habitat, they become obvious places for recovery and reintroduction of rare creatures and form the backbone of many large-scale conservation plans. Fish and wildlife on our national forests are important to people all across the nation-about 40 million visits per year are primarily for hunting, fishing or wildlife viewing.

The Forest Service Wildlife and Fisheries Habitat Management program works with partners to inventory and monitor, manage, and restore habitat on national forests and grasslands in four program areas: 1) Threatened, Endangered and Sensitive Species; 2) Wildlife; 3) Fisheries; and 4) NatureWatch (wildlife viewing and education). In FY 05, \$126.8 million was invested in 4,862 projects benefiting fish and wildlife, leveraging an additional \$37.9 million in contributions from partners. Each year, however, there is a far greater need than the level of funding provided. For FY 06, although the final appropriation for this account was \$131.7 million, at least an additional \$17 million in needed projects had been identified that could be implemented with existing staff. Currently, \$188 million is needed to accomplish critical projects-this level should be reached no later than FY 09.

FY 08 Recommendation:

Wildlife and Fisheries Habitat Management-\$159.9 million

An increase of \$28.2 million over the FY 06 enacted level of \$131.7 million

Department of Energy Office of Electricity Delivery and Energy Reliability

Distributed Energy Program

The Distributed Energy program performs research and development to advance a wide range of energy efficient technologies that generate energy on-site, utilize thermal energy that would otherwise be wasted, and strengthen energy infrastructure. These technologies can decrease our dependence on renewable energy, reduce air pollution and greenhouse gas emissions, and improve electric reliability by lowering the load on the electric grid.

FY 08 Recommendation:

Distributed Energy Program-\$60 million

Same as the FY 06 enacted level

Department of Energy Bonneville Power Administration

The Fish Passage Center (FPC) is a small, independent scientific research and support center based in Portland, Oregon, that provides vital information and real-time data to state and tribal fisheries biologists working to restore Northwest salmon and steelhead populations in the Columbia and Snake River Basin. Since its inception in 1984, the FPC has played an indispensable role in ensuring that state and tribal fishery managers are equipped with the best available scientific information about the status of imperiled salmon and steelhead populations. The FPC guarantees these entities a seat at the table when salmon management decisions are being made by federal agencies by providing them with an independent source of data that they can trust and use as the basis of their recommendations. However, report language in the FY 06 Energy & Water Appropriations bill directed the Bonneville Power Administration (BPA), which funds the FPC, to zero out the FPC's budget and reassign its duties to other entities.

Due to ongoing litigation aimed at reinstating the FPC, the Center is now operating as part of a temporary contract set to expire in late 2006. In order to ensure that state and tribal fishery managers have continued access to independent, trusted salmon science, the FPC must remain open and fully funded. Dedicated funding through BPA will keep this efficient entity up and running and, in turn, allow state and tribal scientists to participate fully in the development and implementation of a valid, successful salmon plan for Columbia and Snake River Basin salmon and steelhead.

FY 08 Recommendation:

Fish Passage Center-\$1.4 million

This is a new request for FY 08

Department of Energy

Office of Energy Efficiency and Renewable Energy

Vehicle Technologies Program

Both to combat global warming and to reduce the U.S.'s dangerous dependence on oil, increasing the fuel efficiency of motor vehicles is a top priority. Federal research and development on technologies that improve motor vehicle efficiency are essential to achieving such an increase and are carried out by the Department of Energy (DOE) Vehicle Technologies program. The technologies covered by the program include advanced lightweight materials, advanced batteries, improved power electronics, electric motors, and advanced combustion engines.

FY 08 Recommendation:

Vehicle Technologies Program-\$200 million

An increase of \$18 million over the FY 06 enacted level of \$182 million

Building Technologies Program

Energy use by residential and commercial buildings accounts for over one-third of the nation's total energy consumption, including two-thirds of the electricity generated in the U.S. Of all the DOE energy efficiency programs, the Building Technologies program continues to yield perhaps the greatest energy savings. A National Research Council study found that just three small buildings research and development programs-in electronic ballasts for fluorescent lamps, refrigerator compressors, and low-e glass for windows-have already achieved cost savings totaling \$30 billion, at a total federal cost of about \$12 million.

FY 08 Recommendation:

Building Technologies-\$95.3 million

An increase of \$26.3 million over the FY 06 enacted level of \$69 million.

Industrial Technologies Program

The Industrial Technologies Program partners with industry to conduct cost-shared energy saving research and provides technical assistance, tools, and training to improve industrial energy efficiency. One of the most effective Industrial Technologies program initiatives conducts plant-wide energy assessments, develops diagnostic software, conducts training, develops technical references, and demonstrates success stories. Oak Ridge National Laboratory reports that the Industrial Technologies program's Best Practices outreach saved \$492 million in 2002. University-based Industrial Assessment Centers have an immediate impact on the competitive performance of hundreds of smaller U.S. factories.

FY 08 Recommendation:

Industrial Technologies Program-\$60 million

An increase of \$3 million over the FY 06 enacted level of \$57 million

Department of Energy

Office of Energy Efficiency and Renewable Energy

Gateway Deployment Programs

Even the best research and development will only meet our energy needs if it is commercialized. Energy efficiency deployment programs are especially critical right now to addressing our nation's immediate natural gas and oil situations. Key deployment programs have been cut in recent years, including building codes assistance and public education. Such cuts are inconsistent with achieving our national energy policy goals of reducing energy costs, promoting environmentally sound economic development, and reducing our reliance on imported oil. Additional funds are needed to reach out to consumers, cities, states, homebuilders, and others.

FY 08 Recommendation:

Gateway Deployment Programs-\$28 million

An increase of \$2 million over the FY 06 enacted level of \$26 million

Federal Energy Management Program

The federal government is the nation's largest consumer of energy. Federal agencies use one percent of all energy consumed in the U.S. DOE's Federal Energy Management Program (FEMP) has helped cut federal building energy waste by 24 percent from 1985-2001-a reduction that now saves federal taxpayers roughly \$1 billion each year in reduced energy costs. FEMP advances energy efficiency at federal facilities by developing alternative financing options and providing technical assistance and training for federal agencies.

FY 08 Recommendation:

Federal Energy Management Program-\$25 million

An increase of \$8 million over the FY 06 enacted level of \$17 million

Appliance Standards

Federal appliance standards already save an estimated 2.5 percent of all U.S. electricity use; existing and draft standards are expected to save consumers and businesses \$186 billion by 2020. However, a number of standards are many years behind schedule and appear stalled. DOE recently settled a lawsuit brought against it demanding that it issue long-overdue minimum efficiency standards required by federal law for many energy-using products. Developing standards is a costly process, and DOE needs adequate resources to carry out its responsibilities.

FY 08 Recommendation:

Appliance Standards-\$25 million

An increase of \$15 million over the FY 06 enacted level of \$10 million

Department of Energy

Office of Energy Efficiency and Renewable Energy

Weatherization Assistance Program

The Weatherization Assistance program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. On average, weatherization reduces heating bills by 31 percent and overall energy bills by \$274 per year. During the last 27 years, the Weatherization Assistance program has provided weatherization services to more than 5.3 million low-income families. In 2005, the goal was to weatherize 92,500 homes. By reducing the energy bills of low-income families instead of offering aid, weatherization reduces dependency and liberates these funds for spending on other pressing family issues.

FY 08 Recommendation:

Weatherization Assistance Program-\$300 million

An increase of \$57 million over the FY 06 enacted level of \$243 million

State Energy Program

The State Energy Program (SEP) provides grants to states to address their energy priorities and fund energy efficiency and renewable energy projects. States often combine these grants with funding from other sources to support such projects. According to a 2003 study by the Oak Ridge National Laboratory, each \$1 of SEP funding results in annual cost savings of \$7.23.

FY 08 Recommendation:

State Energy Program-\$49.5 million

An increase of \$13.5 million over the FY 06 enacted level of \$36 million

Wind Energy Program

The Wind Energy program focuses on continuing to develop a next-generation wind turbine capable of operating in areas with lower wind speeds, thus expanding wind development potential by twenty times, as well as allowing placement of turbines closer to existing transmission lines. The program is also studying the increased integration of wind energy into the nation's power grid.

FY 08 Recommendation:

Wind Energy Program-\$55 million

An increase of \$16 million over the FY 06 enacted level of approximately \$39 million

Department of Energy

Office of Energy Efficiency and Renewable Energy

Solar Energy Technologies Program

The Solar Energy Technologies program supports research and development on technologies such as solar photovoltaics, concentrated solar power and solar heating and lighting. The program's research continues to bring costs down and performance up, fostering a domestic high-tech manufacturing base. However, the U.S. is losing market share to Japan and the European Union in this rapidly growing technology area.

The advances through the research, development and deployment (RD&D) program for electric power generation, absorption cooling and water and industrial process heating have shown immense promise and should be aggressively pursued. Continued work on energy storage for all concentrated solar power technologies, including solar power towers, should receive greater RD&D attention and deployment.

Solar heating and lighting technologies are utilized around the world in quantities far exceeding those in the U.S. Such systems can significantly reduce the consumption of electricity and natural gas-up to several percent in many countries. DOE research on solar heating and lighting emphasizes reducing the cost of solar water heating-the goal is to reduce the cost of solar water heating to 4¢/kWh in 2006.

FY 08 Recommendation:

Solar Energy Technologies Program-\$148 million

An increase of \$62 million over the FY 06 enacted level of approximately \$86 million

Biomass and Biorefinery Systems R&D Program

Biomass power funding should support cleaner combustion, gasification, pyrolyzation and digestion technologies for electric generation with biomass. A variety of feedstocks should be tested for emissions within these technologies. Distributed generation with small biomass systems should be emphasized as well. The power and fuels programs should work together to develop a biorefinery plant that can be operated in the U.S. to produce clean fuel, power and chemicals. The biofuels program should add to the existing biomass options (e.g., corn fiber) with an expanded focus on cellulosic biomass for ethanol as well as biodiesel, but not municipal solid waste. The biofuels program should focus on cost reductions in the production of ethanol through the fermentation of sugars and the gasification or pyrolyzation of cellulosic biomass and biomass waste streams for the production of synfuels and their conversion into biofuels and biopower. The biomass power program should become less line-itemed and directed more towards industry commercialization partnerships.

FY 08 Recommendation:

Biomass and Biorefinery Systems R&D Program-\$100 million

\$45 million for biomass power RD&D

\$55 million for biofuels RD&D

An increase of \$8 million over the FY 06 enacted level of approximately \$92 million

Department of Energy

Office of Energy Efficiency and Renewable Energy

Geothermal Technology Program

Geothermal energy holds the promise to produce vast quantities of high quality baseload power. The U.S. urgently needs to develop the technology and resource knowledge necessary to tap its extensive geothermal resources base. The United States Geological Survey estimates the accessible resource base to be at least 95,000 MW, we are tapping only 2 percent of this potential. At one time the geothermal research budget was over \$150 million, but today the program struggles to maintain a bare-bones research program. The DOE research program lacks funding to support cost-shared research into advanced technologies, cannot support or undertake critical resource assessments, and fails to take the other measures needed to tap the huge identified potential of this resource.

In addition to continuing the base program funding, the following investments are needed: an additional \$1.5 million to update our 25-year-old geothermal resource assessment; \$3 million to expand the utilization of geothermal energy for agricultural, commercial, and other uses; \$5 million for an advanced power technology development solicitation, which will seek industry partners to develop the geothermal power system of the future; \$7.5 million for "enhanced geothermal systems" technology development, which is work that holds the promise of increasing the geothermal resource base ten-fold.

FY 08 Recommendation:

Geothermal Technology Program-\$27.5 million

An increase of \$4.5 million over the FY 06 enacted level of approximately \$23 million

Hydropower Program

Funding for the hydropower program needs to be used for the DOE's Advanced Hydropower Turbine System (AHTS) program and related activities. The funding should also support broadening the DOE's hydropower program to study other operational and environmental issues related to hydropower production, including the potential of hydrokinetic hydropower (damless hydropower) technologies. Funding should also be made available to conduct research and development that will improve the environmental, technical, and societal benefits of hydropower. DOE should disperse appropriated money among these program areas as appropriate.

FY 08 Recommendation:

Hydropower Program-\$5 million

An increase of \$4.5 million over the FY 06 enacted level of \$500,000

Department of Energy

Office of Energy Efficiency and Renewable Energy

Hydrogen Technology Program

While hydrogen is not a fuel, it represents an important energy carrier. The hydrogen program RD&D should be focused on utilizing renewable resources, waste heat, and related clean processes to generate hydrogen, and not use coal and nuclear energy for this purpose. Hydrogen RD&D should focus in three prime areas: 1) infrastructure-to transport, store and safely utilize hydrogen at a maximum of \$40 million, 2) creation of hydrogen from renewable energy and waste heat utilizing the many options including novel concepts, at \$60 million, and 3) unique conversion of hydrogen to electricity including primarily fuel cells, but also heat engines and storage systems at \$20 million.

FY 08 Recommendation:

Hydrogen Technology Program-\$120 million

A decrease of \$37 million from the FY 06 enacted level of approximately \$157 million

Department of Energy Office of Environmental Management

Environmental Management Program

The Department of Energy's (DOE) Environmental Management (EM) program is the world's largest and most expensive cleanup program at \$7.1 billion this year. The EM program has responsibility to clean up the toxic and radioactive legacy of Cold War nuclear weapons production at more than 130 sites around the country. The Administration has claimed that "accelerating cleanup" at some sites would still result in adequate funding for cleanup up the most contaminated sites. It seems that this will not be the case. At dozens of sites around the country, DOE's "accelerated cleanup plan" consists of "isolating" radioactive and toxic waste from the environment by piling dirt on top of it. Radioactive materials also continue to be dumped into unlined soil ditches that do not even meet the basic requirements for municipal landfills. And with assistance from allies in Congress, DOE is attempting to shirk its responsibility to clean up the 239 underground tanks containing approximately 90 million gallons of high-level waste. The last two years DOE recommended withholding millions of cleanup dollars until affected states agree to accept lower cleanup standards for high-level waste-standards that would be inadequate to protect important water resources, such as the Snake River Aquifer, the Tuscaloosa Aquifer, and the Columbia River. Additionally, much of EM's budget does not go to real clean-up work. DOE has used the cover of environmental programs to fund billions of dollars of maintenance for the weapons complex. For example, EM pays for reprocessing at the Savannah River site, even though that activity increases the stockpile of separated plutonium while generating even more highly radioactive liquid wastes.

Congress must ensure adequate funding to meet all health, safety and environmental requirements and to comply with legal mandates. Money for work unrelated to cleanup, such as reprocessing, should be stripped from the budget.

FY 08 Recommendation:

Environmental Management Program-\$ 7.3 billion

An increase of \$700 million over the FY 06 enacted level of \$6.6 billion

Department of Homeland Security

Federal Emergency Management Agency

Flood Mitigation Assistance Program

Although few real reforms to floodplain management were implemented after the Great Midwest Flood of 1993, one positive change was the creation of the Flood Mitigation Assistance program (FMA). Enacted as part of the 1994 Flood Insurance Reform Act, this program aims to reduce or eliminate insurance claims under the National Flood Insurance Program (NFIP). Funding through this program is targeted at nonstructural pre-disaster flood reduction solutions that save lives and taxpayer money, including elevation, acquisition, and relocation of NFIP-insured structures. The program can also assist communities through technical assistance and aiding them in the updating of Flood Mitigation Plans. Funding is provided at a 75 percent federal cost share; participating communities must be NFIP-participating communities.

FY 08 Recommendation:

Flood Mitigation Assistance Program-\$35 million

An increase of \$4 million over the FY 06 enacted level of \$31 million

Hazard Mitigation Grant Program

Authorized under the 1988 Robert T. Stafford Disaster Assistance (Stafford) Act, the Hazard Mitigation Grant Program (HMGP) provides grants to state and local governments, or communities on behalf of individuals, to implement long-term hazard mitigation measures after a presidential disaster declaration. The HMGP enables mitigation measures to reduce the loss of life and property due to natural disasters and enables mitigation measures to be implemented during the immediate recovery from a disaster. Projects are required to provide long-term and cost-effective solutions to a problem. Funding is provided at a 75 percent federal cost share. Funds under this program are a primary source of financing for voluntary buy-outs of flood-prone properties-particularly repetitive loss properties-and relocations out of the floodplain to higher ground. To-date the program has provided more than \$1.1 billion in mitigation funding for projects, including acquisition and relocation of structures from hazard-prone areas, drainage improvement projects, and elevation of flood-prone structures.

FY 08 Recommendation:

Hazard Mitigation Grant Program-\$100 million

An increase of \$9.642 million over the FY 07 enacted level of \$90.358 million

Department of Homeland Security Federal Emergency Management Agency

National Dam Safety Program

There are more than 78,000 dams in the United States, many of which were built more than 50 years ago and are reaching the end of their expected lifespan. The National Dam Safety Program was established to improve safety and security around dams. About 95 percent of the nation's dams are monitored and inspected by state dam safety officials, including over 10,000 high hazard dams (meaning that failure will likely result in loss of life) and over 3,000 dams that are considered "unsafe." The national program provides funding to states to run their regulatory program, research funding to enhance technical expertise, and training sessions for dam safety inspectors. Often the costs of maintaining safe dams outweigh the benefits the dams provide and communities will choose to remove their obsolete dams. Additionally, the National Dam Safety Program is charged with educating the public, including dam owners, about their responsibility to maintain safe dams and therefore keep their communities out of harm's way.

FY 08 Recommendation:

National Dam Safety Program-\$8.6 million

An increase of \$2.7 million over the FY 07 enacted level of \$5.9 million

Repetitive Flood Claims & Severe Repetitive Loss Program

The Repetitive Flood Claims (RFC) grant program and the Severe Repetitive Loss program (SRL) were established in 2004 to reduce or eliminate recurring flood insurance claims from NFIP-insured structures. The Repetitive Flood Claims program serves as a backstop for communities that cannot raise the non-Federal cost-share requirement of the Flood Mitigation Assistance program. Properties qualifying for the SRL program are structures with: four or more flood insurance claims payments that each exceeded \$5,000, with at least two of those payments occurring in a 10-year period, and with the total claims paid exceeding \$20,000 or two or more flood insurance claims payments that together exceeded the value of the property. Under these programs, priority has been given to cost-saving approaches such as relocating flood-prone structures and deed-restricting vacated land for open space uses in perpetuity.

FY 08 Recommendation:

Repetitive Flood Claims-\$10 million

Severe Repetitive Loss Program-\$50 million

(The Repetitive Flood Claims program and the Severe Repetitive Loss program are included in larger program requests and do not have separate line requests.)

Department of Homeland Security

Federal Emergency Management Agency

National Pre-Disaster Mitigation Fund

Poorly planned floodplain development has put countless people in danger and eroded natural flood protections. The Pre-Disaster Mitigation program (PDM), run by FEMA and administered by each state, helps communities dramatically reduce disruption and loss caused by floods and other natural disasters. The goal of the program is to reduce risks to people and structures, thereby minimizing reliance on Federal relief in the event of a catastrophe. Under the program, priority should be given to those projects that provide funding for relocation and acquisition of flood-prone properties keeping communities out of harm's way. Communities applying for PDM funding for the purpose of flood damage mitigation must be participating members of the National Flood Insurance Program (NFIP).

FY 08 Recommendation:

National Pre-Disaster Mitigation Fund & Grant Programs-\$150 million
An increase of \$50 million over the FY 07 enacted level of \$100 million

Flood Hazard Identification Map Modernization

Obsolete, almost antiquated, maps pose one of the greatest challenges to protecting communities from repeated flooding and maintaining solvency of the National Flood Insurance program. Recently, FEMA has been engaged in a multiyear initiative to modernize the Nation's flood hazard identification maps in cooperation with local, regional, or state agencies. These maps are critical as they are used to assign flood insurance rates. They are also now widely recognized as an essential tool for keeping people out of harm's way and management of natural resources.

FY 08 Recommendation:

Map Modernization-\$200 million
An increase of \$1.02 million over the FY 07 enacted level of \$198.98 million

Department of State International Organizations & Programs (IO&P)

International Conservation Programs

Through the IO&P account, the U.S. government provides core financial support to international organizations and programs, addressing global challenges through international cooperation. Within this account, the International Conservation programs support the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Ramsar Convention on Wetlands, the World Conservation Union (IUCN), the International Tropical Timber Organization, and the Convention to Combat Desertification. U.S. contributions to these agreements and organizations support efforts to curb illegal trade in rare and threatened wildlife, preserve globally significant wetlands, promote the conservation and sustainable management of the world's forests, and provide forums for international debate and discussion on key conservation topics. Separately, the IO&P account includes funding for the UN Environment Programme and the World Heritage Convention, both of which also have mandates that emphasize nature conservation in developing countries.

FY 08 Recommendation:

International Conservation Programs-\$8 million

An increase of \$1.65 million over the FY 06 enacted level of \$6.35 million

Department of the Interior

Bureau of Land Management

National Landscape Conservation System

The Bureau of Land Management's (BLM) 26 million acres of congressionally and presidentially designated lands and waters, including National Monuments and National Conservation Areas, represent some of the last places where one can experience the history and wild beauty of the West. The BLM's Conservation System provides innumerable recreational opportunities, critical wildlife habitat, clean water, wilderness and open space near fast-growing cities. It also provides countless research opportunities, thanks to its staggering cultural, historic, and paleontological resources-the largest and most important collection managed by any federal land agency.

Since the System's inception in 2000, insufficient funding has undermined the BLM's ability to steward these lands effectively. Pressures include growing numbers of visitors and irresponsible, reckless off-road vehicle use. BLM struggles to complete essential resource protection work, such as signing trails, monitoring permittees, closing illegal and unnecessary roads, and stabilizing cultural sites. Funding has averaged \$41 million, though the FY 06 President's request recognized a greater need and proposed nearly \$47 million. Funding of \$50 million in FY 08 (not including funding for management of wilderness in the Conservation System, which is provided by a separate budget activity) would enable the BLM to hire essential law enforcement rangers and archaeologists, apprehend vandals and illegal off-road vehicle users, monitor natural resources, expand volunteer programs, educate visitors, and undertake much-needed habitat restoration projects. These totals assume that BLM would provide additional funds to support any changes required by potential Conservation System reorganization under the *Managing for Excellence* initiative.

To provide greater transparency and accountability, the Department of the Interior should provide a cross-cut budget table for the Conservation System in the BLM's budget, with funding identified by Conservation System unit and major subactivity.

Conservation System Wilderness

These lands are funded separately from the rest of the NLCS. The FY 06 enacted budget for BLM wilderness was \$16.6 million and the FY 07 budget request was \$16.2 million. We recommend funding of \$18.8 million in FY 08 to address the planning and management needs of new wilderness areas in California and Nevada designated in the past two years, as well as inventory and monitoring needs and increased operating costs.

FY 08 Recommendation:

National Landscape Conservation System (non-Wilderness)-\$50 million

National Landscape Conservation System Wilderness-\$18.8 million

An increase of \$9.8 million over the FY 06 enacted level of \$59 million

Department of the Interior

Bureau of Land Management

Wildlife, Fisheries and Threatened and Endangered Species Management

BLM manages more land, and more wildlife and fish habitat, than any other federal agency and administers half of the remaining habitat for the imperiled sage grouse and almost 15 million acres of prairie grasslands vital to many declining grassland dependent species. The diverse habitat managed by BLM supports over 3,000 animal species, and more than 300 federally proposed or listed species. The Wildlife and Fisheries Management (WFM) and the Threatened and Endangered Species Management (TESM) programs fund inventory and monitoring, habitat restoration, and other proactive conservation activities vital to maintaining healthy, functioning ecosystems and fish, wildlife, and plant populations.

Unfortunately, the WFM program and TESSM program are paying for the compliance activities of BLM's energy, grazing and other non-wildlife related programs. Traditionally, funding for compliance work has come from the benefiting programs. Over 30 percent of WFM and TESSM programs are routinely diverted to other programs, eroding their ability to conduct proactive species and habitat conservation activities. In FY 06, more than 50 percent of WFM and TESSM funds went to other programs. In addition, the programs are substantially understaffed-for example, the BLM has only one biologist per 591,000 acres of land. This diversion of funding needs to be stopped or additional funding needs to be provided to these two programs to make up for the deficiency. Increases recommended for FY 08 include the amount necessary to restore this loss; however it would make far better budgetary sense to stop the diversion. WFM and TESSM will need additional funding in future years for adequate staffing levels and to expand habitat restoration and species conservation programs to prevent future species listings and to aid in recovery of listed species.

FY 08 Recommendation:

Wildlife and Fisheries Management-\$55.9 million

Threatened and Endangered Species Management-\$29.4 million

An increase of \$23.5 million over the FY 06 enacted level of \$61.8 million.

Department of the Interior Bureau of Land Management

Challenge Cost Share

The BLM's Challenge Cost Share (CCS) program allows the BLM to partner with state and local governments, private individuals and companies and nongovernmental organizations to restore habitat, monitor species, maintain archeological sites, and repair trails, along with other activities. The program, which requires a dollar for dollar match, averages a two-to-one match-and for some projects, upwards of three to one match-providing tremendous leverage of federal funds. Wildlife and Fisheries Management program staff report that CCS partnerships are how the majority of their proactive conservation work is being accomplished in field offices. Annually, the BLM has to turn away on average \$20 million of potential projects that could be leveraged into \$60 million for the total program. Additional funding in FY 08 will allow the BLM to meet the public's demand for CCS partnerships and dramatically increase the number of proactive conservation projects. There are gaping needs for projects relating to sage grouse conservation, off-highway vehicle management, and invasive species control.

FY 08 Recommendation:

Challenge Cost Share-\$19.4 million

An increase of \$10 million over the FY 06 enacted level of \$9.4 million.

Plant Conservation

The BLM is responsible for managing more than 800 special status plant species, including plants protected under the Endangered Species Act. It has become increasingly apparent that a specific new budget activity or subactivity is needed for plant conservation in the Management of Lands and Resources account. As part of the Burned Area Rehabilitation account, the BLM has been designating \$4-5 million annually to the Native Plant Materials Development program. Providing native seeds and seedlings for restoration projects after wildfires and other disturbances is vital to preventing the spread of invasive plant species which degrade habitat and ecosystem functioning. The large-scale development of native seed stock is still in its infancy, and often federal agencies are not able to acquire enough plant materials to meet their demands. In addition, extensive conservation actions are needed to maintain and restore native plant communities on BLM lands. The FY 08 recommendation would move \$4.6 million in funding previously provided under the Burned Area Rehabilitation account and increase funding to \$15.8 million to establish this new budget activity or subactivity under Management of Lands and Resources. The request includes funding for an additional 22 plant ecologists to work in the program, 2 for each BLM state office.

FY 08 Recommendation:

Plant Conservation-\$15.8 million

An increase of \$11.2 million over the FY 06 enacted level of \$4.6 million that had previously been devoted to Native Plant Materials Development only.

Department of the Interior Bureau of Reclamation

Savage Rapids Dam Removal and Pump Replacement

The Savage Rapids Dam, built in 1921, is the single largest killer of salmon on the Rogue River in Oregon, including coho salmon, which are listed as threatened under the federal Endangered Species Act. Removing Savage Rapids dam will provide an enormous boost to the Rogue River's imperiled salmon and steelhead populations. In July 2001, the U.S. District Court in Oregon issued a consent decree that calls for the dam to be removed by 2006 and a pumping system to be installed to better serve the Grants Pass Irrigation District's water diversion needs (A one year extension was agreed to by all parties of the agreement as funding is secured).

FY 08 Recommendation:

Savage Rapids Dam Removal and Pump Replacement-\$15 million
An increase of \$13.5 million over the FY 06 enacted level of \$1.5 million

Yakima River Basin Enhancement Project

The Yakima River Basin is home to Washington's largest Native American tribe and contains one of the largest Bureau of Reclamation projects in the West. The various reclamation projects in the basin have depleted and polluted river flows, and water rights conflicts in this basin are legendary. Partly as a result, Yakima River bull trout and steelhead are now listed under the Endangered Species Act. Phase II of The Yakima River Basin Water Enhancement Project, authorized by Congress in 1994, was designed to ameliorate these conditions for both fish and farmers. It aims to restore the river and make better use of the existing water supplies. This legislation was a compromise agreed to by the basin's disparate stakeholders, and the program it created is a model for water conservation and water rights acquisition.

FY 08 Recommendation:

Yakima River Enhancement Project-\$11 million
An increase of \$2.6 million over the FY 06 enacted level of \$8.4 million

Department of the Interior Bureau of Reclamation

Deschutes Resources Conservancy

The Deschutes River Conservancy (DRC) is focused on restoring streamflow and improving water quality in the Deschutes Basin of Central Oregon. The DRC accomplishes these goals through water conservation projects, water leasing projects, water purchases, and habitat restoration projects. Projects are done in close collaboration with numerous stakeholders, including farmers, recreation enthusiasts, ranchers, conservationists, and tribal communities. The DRC brings together groups working to restore the Deschutes River through its restoration grants program, enterprise programs creating markets for environmental services, and community development work aimed at developing a shared vision for basinwide restoration. Past federal funds appropriated for the Deschutes Ecosystem Restoration Project have been leveraged more than three-to-one with non-federal and in-kind contributions by the DRC.

FY 08 Recommendation:

Deschutes Resources Conservancy-\$1.4 million
Same as FY 06 enacted level

California-Federal Bay Delta Program

The California-Federal Bay Delta program (CalFed) is a partnership between federal and California agencies to provide a balanced, collaborative approach to the water resource demands on the San Francisco Bay and San Pablo Bay watersheds. The Ecosystem Restoration and Watershed program within CalFed works to restore and improve wildlife habitat throughout the watershed, improve fish passage, integrate flood control and ecosystem restoration, and implement specific watershed restoration projects in conjunction with watershed plans. The Ecosystem Restoration program has funded over 460 projects restoring 100,000 acres of fish habitat, screening 68 water intake points and initiating 23 comprehensive watershed programs. The Watersheds program has awarded 116 grants totaling about \$50 million to community-based organizations for projects addressing watershed health, drinking water quality, non-point sources of pollution, and watershed protection.

FY 08 Recommendation:

CalFed Ecosystem Restoration and Watershed program-\$40 million
An increase of \$3.4 million over the FY 06 enacted level of \$36.6 million

Department of the Interior

Fish and Wildlife Service

Endangered Species Program

For more than 30 years, the Endangered Species Act has helped prevent the extinction of our nation's wildlife treasures including beloved symbols of America such as the bald eagle, the Florida manatee and the California condor. Only nine of the more than 1800 plants and animals currently protected by the act worldwide have been declared extinct, an astonishing success rate. The Endangered Species Act provides added benefits to people by maintaining healthy natural systems that provide us with clean air and water, food, medicines and other products that we all need to live healthy lives. We owe it to our children and grandchildren to be good stewards of the environment and leave behind a legacy of protecting endangered species and the special places they call home.

The Fish and Wildlife Service (the Service or FWS) is responsible for managing the Endangered Species program through four main accounts: Candidate Conservation, Listing, Consultation, and Recovery. The Endangered Species Act's outstanding successes have been achieved despite severe and chronic funding shortfalls that plague the Service's program. The Listing account, which supports the protection of new plants and animals under the Endangered Species Act and designation of their critical habitat, faces a backlog of more than \$140 million with 274 candidates awaiting proposal for protection, which far exceeds available funding. Addressing the listing backlog will require increasing funding well over current levels, as well as more efficient use of funds, given that the Service currently lists far fewer species per dollar today than in 2000. Moreover, in recent years, FWS biologists have estimated that about 200 currently listed plants and animals are on the verge of extinction primarily because too little attention and funding is available for critical recovery activities. The number of projects reviewed under the consultation program has nearly doubled, from 40,000 in 1999 to about 77,000 in 2005. The development and implementation of Habitat Conservation Plans (HCPs), intended to allow non-federal activities to proceed while still protecting listed plants and animals, continues to grow, with funding critically needed to help ensure timely and effective development and monitoring of 440 existing and nearly 300 new HCPs. All four program areas are currently experiencing at least a 30 percent staffing shortage due to budget constraints, an unacceptable vacancy rate. To adequately implement the endangered species program funding must gradually increase for the four main accounts to at least \$305.8 million by 2012, an increase of \$158 million over FY 06.

FY 08 Recommendation:

Endangered Species program-\$185.2 million

\$12 million for Candidate Conservation

\$25.2 million for Listing

\$63.2 million for Consultation

\$84.8 million for Recovery

An increase of \$37.4 million over the FY 06 enacted level of \$147.8 million

Department of the Interior

Fish and Wildlife Service

National Wildlife Refuge System

The National Wildlife Refuge System is our nation's only public lands system dedicated to wildlife conservation. The Refuge System, with its 547 refuges on nearly 100 million acres across the country, is the key to protecting our nation's wildlife and ensuring that there are lands where wildlife protection is a priority. There is a refuge in every state and within an hour's drive of most American cities. In addition, our national wildlife refuges serve as economic engines for many local communities. The Fish and Wildlife Service estimates that, in FY 04 alone, nearly 37 million people visited refuges, which generated nearly \$1.5 billion of sales in regional economies, helping to create nearly 24,000 jobs and about \$454 million in employment income.

Despite its crucial role in conserving our nation's wildlife heritage, the Refuge System has been crippled for years by severe funding shortfalls. The most recent information indicates that the operations and maintenance backlog totals more than \$2.5 billion. In response to budget cuts since 2004, the Refuge System currently is in the process of restructuring, abolishing staff positions, and reducing programs to manage public access and other activities at numerous refuges. The Northeast, Midwest, and Southeast regions have announced their restructuring plans and similar ones are expected in other FWS regions around the country. The System has lost nearly 230 field positions and is expected to lose about 250 additional field staff. The National Wildlife Refuge System is a unique and irreplaceable treasure and should not be forced to face such a choice.

The FY 08 funding recommendation is merely the inflation-adjusted 2004 level to keep the Refuge System from sliding further backwards. The Cooperative Alliance for Refuge Enhancement (CARE), a diverse coalition of 21 conservation, recreation and scientific organizations representing a national constituency of five million Americans, is developing a plan to phase in gradual budget increases over the coming years to reach a funding level commensurate with the nationally significant benefits the refuge system provides to the American people: awe-inspiring concentrations of wildlife, unparalleled outdoor recreation and education experiences, beauty, open spaces, clean water, and "refuge" from hectic lives.

FY 08 Recommendation:

National Wildlife Refuge System-\$451.5 million

An increase of \$69 million over the FY 06 enacted level of \$382.5 million

Department of the Interior

Fish and Wildlife Service

Migratory Bird Management

Migratory birds are integral to healthy natural systems in many ways, including as predators, prey, seed dispersers and pollinators, and are actively appreciated and enjoyed by millions of people across the country. Despite their importance as pollinators to agriculture and the \$40 billion annual birding economy, about 25 percent of our nation's migratory bird species are in serious need of conservation to assure their long-term survival.

The FWS's Migratory Bird Management program is multi-faceted and encompasses survey and monitoring, management of permits and hunting regulations, efforts on international treaties, habitat restoration, coordination of work to reduce direct bird mortalities, and implementation of the North American Waterfowl Management Plan as well as other efforts to conserve bird habitat through the Joint Ventures program. In an effort to make more demonstrable progress in on-the-ground conservation to restore bird species to healthy levels, the FWS has developed a list of 139 focal species to receive greater attention in the coming years through development and implementation of specific action plans on each species. The first nine plans were completed and ready for implementation at the end of 2006. Increases should be directed toward beginning the implementation of the nine plans, initiation of work on the next set of focal species plans, specific work needed to understand and address declines in populations of webless migratory gamebirds, science and science support, and the Joint Ventures program.

FY 08 Recommendation:

Migratory Bird Management-\$52.7 million

An increase of \$14.5 million over the FY 06 enacted level of \$38.2 million

International Affairs

Conservation of the Earth's wildlife and habitat is a global priority and requires nations to work together cooperatively-wildlife recognizes no political borders. With the development pressures and desperate economic situations in many foreign countries, international conservation efforts face a unique set of challenges. By the same token, the relative wealth of our country means that modest investments of U.S. conservation dollars can reap significant returns when invested in the developing world, especially when leveraged as matching contributions from private and nongovernmental partners. In recent years, international conservation programs have mobilized three dollars for every dollar invested by the U.S. government.

The Fish and Wildlife Service International Affairs program works to meet our international treaty obligations, including, importantly, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, and to protect and restore sustainable wildlife populations around the globe through its International Wildlife Trade and International Conservation programs. The program also administers the Multinational Species Conservation Fund. More than 20 years ago, the International Conservation program began to initiate a series of highly successful regional Wildlife Without Borders initiatives with a mission to work with resident peoples and develop locally adapted and long-term wildlife management and conservation programs supported through broad partnerships.

Department of the Interior Fish and Wildlife Service

Funding increases within this program should be focused on: 1) boosts to the regional Wildlife Without Borders programs; 2) implementation of the Convention for the Conservation of Wetlands of International Importance (Ramsar), the Western Hemisphere Migratory Species Initiative, and the Wild Bird Conservation Act; 3) listing and permitting actions to address a backlog of 56 foreign species awaiting Endangered Species Act protection; and 4) replacing key Service personnel.

FY 08 Recommendation:

International Affairs program-\$17.6 million

An increase of \$7.7 million over the FY 06 enacted level of \$9.9 million

Law Enforcement

As our world grows increasingly more complex, the protection of wildlife faces escalating criminal threats, including illicit trade, unlawful commercial exploitation, illegal destruction of habitat, and environmental hazards. Growing populations and accompanying development pressure; expansion of international communication, shipping and travel; rising global commerce; and broadly proliferating access to computer technology along with the evolution of the internet and “e-commerce” all combine to create mounting challenges to enforcement of U.S. and international wildlife laws. The U.S. supports one of the largest markets for both legal and illegal wildlife and wildlife products, and intercepted contraband includes caviar, coral, elephant ivory, sea turtle eggs and live birds.

The Fish and Wildlife Service’s Law Enforcement program investigates wildlife crimes, regulates wildlife trade, helps citizens comply with the law and works with other international and U.S. government entities to carry out its mission. The program’s wildlife inspectors and special agents, supported by the National Fish and Wildlife Forensics Laboratory and a new wildlife law enforcement data system, have achieved important successes in many arenas, including reduction of illegal harvest and trade in caviar and cases involving wolves, manatees, and endangered migratory birds. Despite these successes, the program is severely understaffed to meet the rapidly proliferating threats and in recent years has been starved of needed personnel and resources, slashing its effectiveness in enforcing both federal wildlife laws and international treaties. Since 2002, the program has lost 45 staff, including 32 special agents. Increases for FY 08 should first be focused on the hiring and training of 25 replacement special agents and badly needed scientists for the forensics laboratory; however, additional special agents and scientists will be needed in the coming years to replace those lost and to meet the growing law enforcement workload. In addition to these increases, the Fish and Wildlife Service should raise user fees for animal importers and exporters to cover the major costs of inspection.

FY 08 Recommendation:

Law Enforcement program-\$ 66.6 million

An increase of \$10.5 million over the FY 06 enacted level of \$56.1 million

Department of the Interior

Fish and Wildlife Service

National Fish Passage Program

The National Fish Passage program currently benefits 16 federally endangered and threatened fish species and is helping to prevent numerous other species from being listed as endangered. Since its inception in 1999, working with local, state, tribal, and federal partners, the Fish Passage program has leveraged federal dollars nearly three-to-one. Through this work the program has opened more than 3,750 miles of river and restored 69,000 acres of wetlands for fish spawning and rearing habitat. Restoring fish migration enhances entire watersheds and benefits birds and mammals, such as eagles, ospreys, herons, kingfishers, brown bears, otters, and mink.

FY 08 Recommendation:

National Fish Passage program-\$5 million

An increase of \$1.3 million over the FY 06 enacted level of \$3.7 million

Fisheries Restoration and Irrigation Mitigation Act Program

The Fisheries Restoration and Irrigation Mitigation Act program (FRIMA) is a unique voluntary program that helps improve anadromous and resident fish passage through installing better fish screens for irrigation and water diversions in Oregon, Washington and western Montana without impairing existing water withdrawals. The program also serves as a cooperative program for conservation organizations, irrigators and the federal government to work together to improve stream quality and protect important regional fish stocks and fisheries. FRIMA is a classic example of a win/win situation. The program helps bolster solutions to fish protection that maintain economic growth while restoring habitat and boosting fish and river health.

FY 08 Recommendation:

Fisheries Restoration and Irrigation Mitigation Act program-\$4 million

An increase of \$1.1 million over the FY 07 enacted level of \$2.9 million

Coastal Program

Healthy coastal wetlands provide many benefits to wildlife and people by supporting recreation, tourism, and fishing industries. Thousands of acres already have been lost or degraded by commercial and residential development, polluted runoff and waste disposal, shoreline modification, and over-harvesting of resources. The Fish and Wildlife Service's Coastal program is an effective partnership that brings together FWS scientists, land trusts, biologists, and other conservation partners to protect and restore habitat in coastal regions and coastal rivers. These partnerships allow the Coastal program's dollars to be matched at least two-to-one for on-the-ground work. Since 1994, the Coastal program has reopened 3,450 miles of coastal streams for anadromous fish passage; restored 130,325 acres of coastal wetlands, 27,746 acres of coastal upland habitat, and 1,275 miles of riparian habitat; and protected 1,639,232 acres of habitat through conservation easements.

FY 08 Recommendation:

Coastal program-\$15 million

An increase of \$2 million over the FY 06 enacted level of \$13 million

Department of the Interior Fish and Wildlife Service

National Fish Habitat Initiative

The goal of the National Fish Habitat Initiative is to harness the expertise of existing efforts to create a coordinated approach to improving fishery habitat. The FWS has been the lead federal agency in the initiative, but it is a public/private partnership that includes other federal agencies (NOAA, U.S. Army Corps of Engineers, USDA, and other DOI agencies), state and local governments, and conservation groups. This combined force will leverage federal dollars with both private and non-profit resources in order to maximize funding for fish habitat conservation projects across the nation. The initiative partners have created an 'action plan' in 2006 that will foster geographically focused, locally driven, and scientifically based partnerships to protect, restore, and enhance aquatic habitats. The plan is non-regulatory and will succeed only through its collaborative nature.

FY 08 Recommendation:

National Fish Habitat Initiative -\$3 million

An increase of \$2 million over the FY 06 enacted level of \$1 million

State and Tribal Wildlife Grants Program

This important program gives states funding to develop and implement comprehensive conservation plans to protect declining wildlife and habitats before protection under the Endangered Species Act is necessary. More than 1300 U.S. plants and animals currently are under the act's protection. Without proactive efforts to reverse declines, scientists estimate that an additional estimated 10,000 wildlife and plant species are also at risk. The State and Tribal Wildlife Grants program is particularly important to future efforts to prevent habitat loss. To ensure program implementation would be strategic and cost-effective, states were required to develop State Wildlife Action Plans by October 2005. As documented in the plans, most wildlife is declining in the U.S. because of habitat loss, fragmentation, and degradation. This effort has emerged through the work of a broad national bipartisan wildlife coalition called Teaming With Wildlife which includes more than 4,500 organizations. Given the completion of the action plans, FY 08 will be an extremely important year for funding increases to support their implementation.

FY 08 Recommendation:

State and Tribal Wildlife Grants program-\$100 million

An increase of \$32.5 million over the FY 06 enacted level of \$67.5 million

Department of the Interior Fish and Wildlife Service

Cooperative Endangered Species Fund

Non-federal lands are crucial to the conservation of rare species. At least 65 percent of federally listed plants and animals are found on non-federal lands, with many absolutely dependent upon these lands for their survival. The Cooperative Endangered Species Fund provides grants to states for wildlife and habitat conservation activities on non-federal lands for listed and candidate species. Without the proposed increases, states will fall further behind in their ability to independently work to protect imperiled species. Crucial conservation activities funded by these grants include: research, species status surveys, habitat restoration, captive propagation and reintroduction, planning assistance, and land acquisition by states for Habitat Conservation Plans and recovery. Twenty-seven states received funding under this program in 2006 to benefit species ranging from orchids and bull trout to migratory birds and Canada lynx. To adequately fund state endangered species conservation activities, it is critical to gradually increase funding to at least \$160 million annually by FY 12, an increase of \$80 million over FY 06.

FY 08 Recommendation:

Cooperative Endangered Species Fund-\$96.2 million

An increase of \$16.2 million over the FY 06 enacted level of \$80 million

Landowner Incentive Grants and Private Stewardship Grants

Endangered and other at-risk wildlife depend upon private lands for their survival. The help of private landowners is essential for the conservation of these species. Landowner Incentive Grants and Private Stewardship Grants provide funding for voluntary conservation actions taken by landowners to conserve plants and animals at risk on private lands. The Landowner Incentive program awards competitive grants to state and tribal conservation agencies for their work with private landowners and tribal lands, while the Private Stewardship program allows the Fish and Wildlife Service to provide funding directly to individuals and groups implementing private land conservation actions. In 2006, funding was awarded to efforts in 46 states, Puerto Rico and the U.S. Virgin Islands. The need for these programs far outstrips available funding-the amount requested for worthy projects on average totals two to three times the yearly available funding. To support private landowners in their voluntary conservation efforts, a gradual increase to \$77 million is needed by FY 12 in these two incentive programs, an increase of \$48.3 million over FY 06.

FY 08 Recommendation:

Landowner Incentive and Private Stewardship programs-\$38.4 million

\$27.4 million for Landowner Incentive

\$11 million for Private Stewardship

An increase of \$9.5 million over the FY 06 enacted level of \$28.9 million

Department of the Interior Fish and Wildlife Service

Partners for Fish and Wildlife Program

With two-thirds of America's land privately owned, private landowners play an important role in maintaining diverse ecosystems and wildlife for future generations. Through the voluntary Partners for Fish and Wildlife program, the Fish and Wildlife Service provides financial and technical assistance to landowners to restore degraded habitat on their property. The need for Partners for Fish and Wildlife is great. Our nation has lost approximately 70 percent of the nation's streamside habitat, 53 percent of wetlands in the continental United States, and 90 percent of the tallgrass prairie in the Midwest and Great Plains. Not only has important habitat for fish and wildlife been lost, but so has the multitude of other essential functions these habitats provide-reduced floods, decreased sediment and nutrient loads, and protection and improvement of water quality. This program has worked with more than 28,700 landowners to restore 639,550 acres of wetlands; 1,069,660 acres of native prairie, grassland, and other upland habitats; and 4,740 miles of riparian and in-stream aquatic habitat.

FY 08 Recommendation:

Partners for Fish and Wildlife program-\$52 million

An increase of \$0.9 million over the FY 06 enacted level of \$51.1 million

Multinational Species Conservation Fund (MNSCF)

Since 1990, Congress has recognized the threat to large mammals and reptiles and has authorized grant programs for the conservation of African elephants, Asian elephants, rhinos and tigers, great apes and marine turtles. The Multinational Species Conservation Fund provides grants for anti-poaching patrols, habitat protection, population surveys, public education, disease control, and efforts to resolve human-animal conflicts. Over the past 16 years, the fund has provided more than \$43.8 million in conservation assistance, leveraging more than \$115.6 million in non-federal support. These public/private partnerships help to conserve threatened species and have made a substantial difference to their prospects for survival. The species are greatly admired by millions of Americans who adopt them as symbols of corporate strength, political gravitas, and sporting proficiency, and who flock to accredited zoos and aquariums to see them. Without increased support for this program these rare creatures could be lost to future generations.

FY 08 Recommendation:

Multinational Species Conservation Fund-\$10 million

An increase of \$3.6 million over the FY 06 enacted level of \$6.4 million

Department of the Interior Fish and Wildlife Service

North American Wetlands Conservation Fund

More than half of the original wetlands in the U.S. have been lost. This has contributed to the steady decline of migratory birds as well as other fish and wildlife species dependent on wetlands. With fewer wetlands, millions have been spent on erosion control, water treatment, and flood protection that natural wetlands used to provide for free. Restoring and protecting wetlands is vital to conserving fish and wildlife species dependent upon such habitat and maintaining healthy watersheds. These areas protect our safety and welfare without having to invest in costly projects, and provide innumerable opportunities for outdoor recreation for people across the nation. The grant program has already helped fund more than 1,100 wetland conservation projects and continues to play a major role in conserving North American wetlands, migratory birds, and other species of fish and wildlife that depend upon such ecosystems.

FY 08 Recommendation:

North American Wetlands Conservation Fund-\$50 million

An increase of \$10.6 million over the FY 06 enacted level of \$39.4 million

Neotropical Migratory Bird Conservation Fund (NMBCA)

Since 2000, the NMBCA has functioned as a matching grant program to fund projects that conserve neotropical migratory birds-those that breed in or migrate through the United States and Canada and spend the non-breeding season in Latin America and the Caribbean. Monies support partnership programs to conserve birds in the U.S., Latin America and the Caribbean, where approximately 5 billion birds representing over 500 species spend their winters, including some of the most endangered birds in North America. These funds provide an upland complement to the wetland bird conservation work accomplished under the North American Wetlands Conservation Act. Projects may include bird habitat conservation, research and monitoring, law enforcement, and outreach and education. All grant requests must be matched by non-federal funds at least 3 to 1. By law, 75 percent of the funds must be spent internationally. From 2002 through 2006, partners in 42 U.S. states and 30 Latin American and Caribbean countries have benefited from 186 NMBCA-supported projects. More than \$17.2 million in grants has leveraged some \$89.1 million in total partner contributions to support activities that bring long-term benefits to neotropical migratory birds. While more than 100 worthy proposals are received each year, with the current funding provided, only 40 can be funded.

FY 08 Recommendation:

Neotropical Migratory Bird Conservation Fund-\$5 million

An increase of \$1.1 million over the FY 06 enacted level of \$3.9 million

Department of the Interior Fish and Wildlife Service

National Fish and Wildlife Foundation (NFWF)

NFWF is a private, non-profit organization founded by Congress in 1984 to conserve fish, wildlife, and the habitat upon which they depend. Protecting these resources brings communities improved quality of life through promotion of healthier lifestyles and generations of outdoor recreation revenues. Each year NFWF undertakes significant river and watershed conservation projects. Every Congressionally appropriated dollar translates into an average of three dollars in on-the-ground conservation. NFWF has made more than 7,000 grants and committed more than \$350 million in federal funds. Matched with non-federal dollars, NFWF funds have delivered more than \$1 billion for conservation.

FY 08 Recommendation:

National Fish and Wildlife Foundation-\$10 million

An increase of \$2.3 million over the FY 06 enacted level of \$7.7 million

Department of the Interior Land and Water Conservation Fund

The Land and Water Conservation Fund (LWCF) creates parks and open spaces, protects wilderness, wetlands and refuges, preserves wildlife habitat, and enhances recreational opportunities from two complementary programs: a federal program and a state matching grants program. The federal program provides funds to purchase land and water resources for national parks, forests, wildlife refuges and other public lands while the state matching grants program provides federal funds to states to assist in the acquisition of more urban open space and creation of local recreation facilities. The success of the LWCF has helped create parks for people to enjoy in 98 percent of counties in America and has provided protection for more than five million acres of land and water areas across the country. From Denali National Park to the Grand Canyon and from the Everglades to the Appalachian Trail, LWCF has been the critical source of funding available to federal agencies for protecting our most treasured lands.

Increasing population and expanding commercial and residential development threaten to undo America's conservation accomplishments. According to the U.S. Forest Service's recently released report, "Cooperating Across Boundaries-Partnerships to Conserve Open Space in Rural America," we lose 6,000 acres of open space each day, or four acres every minute. The report also warns that we are losing not only our ability to manage public lands to maintain healthy forests and public recreation, we are also losing critical ecosystem services such as wildlife habitat, clean drinking water, natural-resources-based jobs, and a sustainable output of forest products. Additional findings of the report include:

- 34 million acres of open space (the size of Illinois) have been lost to development between 1982 and 2001;
- 100,000 square miles of open space (the size of California) are projected to be developed by 2020;
- 10 million acres of forests have been lost to development from 1982 to 1997;
- 26 million more acres of forests are expected to be developed by 2030 (close to the size of Georgia);
- 57 percent of U.S. forest lands are privately owned and unprotected from development.

Conservation of these places, whether private or public, is critical to maintaining the health of our public lands, our quality of life, and our recreational and economic opportunities. The Land and Water Conservation Fund and the Forest Legacy program provide two essential federal tools to support land conservation efforts. Unfortunately, both programs are seriously under-funded, having seen their funding wither or stagnate under Congressional budget pressures. LWCF reached a low in 2005 when the President's FY 06 budget zeroed out the stateside of LWCF and the House version of the Appropriations bill zeroed out both the federal and the stateside programs of LWCF. The final FY 06 appropriation was the lowest funding level for LWCF in a decade. Since 2001 alone, funding for LWCF has been cut 75 percent.

We urge Congress to reverse this downward funding trend and make a commitment to return to full funding of the LWCF program at its authorized level of \$900 million. To achieve this, we recommend a stair-step approach which would ramp funding levels up each year for five years until we reach full-funding. We recommend that Congress begin this process in FY 08 by providing \$220 million to the LWCF federal program and \$100 million for the LWCF stateside program. By restoring funding to the LWCF program we can continue to preserve America's natural places and create valuable public recreation areas and facilities for all Americans.

FY 08 Recommendation:

Land and Water Conservation Fund-\$320 million

An increase of \$179.2 million over the FY 06 enacted level of \$140.8 million

Department of the Interior

National Park Service

Operations of the National Park System (ONPS)

The National Park Service protects and manages the nation's most treasured natural and cultural resources-our national heritage. Providing the Park Service with an adequate operating budget is critical to enabling the Service to protect the resources of, and provide visitor services to, the 390 units of the National Park System. Unfortunately, the budget for the national parks is not keeping pace with the needs and increasing demands placed on the Park Service, resulting in an annual shortfall in excess of \$800 million.

The Secretary of the Interior announced a National Park Centennial Challenge issued by the President to enhance our parks as they prepare for the Park Centennial in 2016. Providing the Park Service with a strong budget in FY 08 is an important first step to meeting this challenge.

FY 08 Recommendation:

Operations of the National Park System-\$1.918 billion

An increase of \$200 million over the FY 06 enacted level of \$1.718 billion

Wild and Scenic Rivers

The Wild and Scenic Rivers Act protects free-flowing rivers with outstandingly remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values. Unfortunately, the Department of the Interior does not receive sufficient funding to adequately protect the Wild and Scenic Rivers System and ensure that it represents a broad diversity of river types, as Congress intended. Although 84,500 stream miles are potentially eligible for designation, only about 165 rivers covering almost 11,500 miles are currently designated. With increased funding, these agencies could complete management plans and studies to identify additional rivers that qualify for designation. Additional funding would also allow them to better manage and protect designated rivers and promote their values to the public.

FY 08 Recommendation:

Rivers and Trails Studies-

\$0.5 million for wild and scenic river studies

\$1 million for wild and scenic rivers managed as units of the National Park System

An increase of \$1.112 million over the FY 06 enacted level of \$0.388 million

Partnership Wild and Scenic Rivers-\$1.2 Million

An increase of \$0.1 million over the FY 06 enacted level of \$1.1 million

Department of the Interior

National Park Service

Rivers, Trails and Conservation Assistance Program

The National Park Service's Rivers Trails and Conservation Assistance (RTCA) program has helped produce some of the best examples of conservation based on local-federal partnerships by providing communities with assistance to help revitalize riverfronts, protect open space, and build trails and greenways. The RTCA is a good taxpayer value because its projects help leverage substantial local funding. On average, RTCA partners protect more than 700 miles of rivers, create over 1,400 miles of trails, and conserve more than 63,700 acres of open space each year.

FY 08 Recommendation:

Rivers Trails and Conservation Assistance-\$10 million

An increase of \$2.5 million over the FY 06 enacted level of \$7.5 million

Elwha River Restoration

The Glines Canyon and Elwha dams located inside Olympic National Park in Washington state have nearly wiped out once abundant salmon and steelhead trout populations in the Elwha River, fisheries to which the Elwha Klallam Tribe are guaranteed rights in perpetuity through an 1855 treaty agreement. In 1992, Congress approved federal purchase of the dams and directed the Department of the Interior to study how the river and native fisheries could be completely restored. DOI reported that only dam removal could fully restore the ecosystem. Removal of the two Elwha dams will restore salmon access to the Elwha River's wilderness heart in the Olympic National Park for the first time in 100 years. This dam removal will produce a landmark in river restoration for our national parks and an unprecedented opportunity to study a large dam removal and its impact on the river and wild salmon populations

FY 08 Recommendation:

Elwha River Ecosystem Restoration-\$15 million

An increase of \$10 million over the FY 06 enacted level of \$5 million

Dam Safety Program

Of the 541 dams in the Park System, more than 300 are in poor or fair condition. These dams have outlived their average life expectancy and now threaten the health of rivers inside the National Park System. Since its formation, the Dam Safety program has removed close to 200 hazardous dams. This has not only eliminated safety hazards but also restored rivers and streams. Unfortunately, many dams within the NPS still pose a risk and are in need of removal or repair.

FY 08 Recommendation:

Dam Safety program-\$3.6 million

An increase of \$1 million over the FY 06 enacted level of \$2.6 million

Department of the Interior

U.S. Geological Survey

Water Resources Investigations

U.S. Geological Survey (USGS) water resource programs provide a strong and unbiased source of information for those making decisions that affect our water resources, including Congress; federal, state, and local agencies; conservation groups; and industry. The National Water Quality Assessment (NAWQA) program provides historical and current water quality conditions and identifies water quality trends in representative river basins and aquifers nationwide. The NAWQA program's unique design provides a consistent record of information on water resources in 42 important river basins and aquifer systems across the nation. The Toxic Substances Hydrology program carries out long-term research to improve scientific understanding of river and groundwater contamination. Toxic contamination, whether from radioactive waste, petroleum products, sewage, or other sources, can cause considerable damage to rivers, groundwater, people, and wildlife. The program has led to improvements in the ability of the government and private sector to clean up existing toxic contamination and protect against future contamination. Information regarding the quantity and timing of streamflow is of critical importance to protecting, restoring, and safely enjoying our nation's rivers. The nation's streamgaging network, primarily operated through the USGS National Streamflow Information program (NSIP), provides essential data for habitat preservation, water quality, recreational safety and quality, agriculture, industry, municipal water supplies, navigation, and flood hazard identification. If streamgaging stations are discontinued, the consequences of inaccurate hydraulic data could result in a drastic loss of life during an unanticipated flood or bridge collapse. Stream gages become more valuable as their data records become longer and those that also record sediment loads and water quality are especially valuable.

FY 08 Recommendation:

National Water Quality Assessment program-\$70 million

An increase of \$7.8 million over the FY 06 enacted level of \$62.2 million

Toxic Substances Hydrology program-\$17.4 million

An increase of \$3 million over the FY 06 enacted level of \$14.4 million

National Streamflow Information program-\$18 million

An increase of \$4 million over the FY 06 enacted level of \$14 million

Department of the Interior

U.S. Geological Survey

Biological Research Programs

U.S. Geological Survey (USGS) biological research programs provide unbiased data through research, inventory, and monitoring investigations that inform conservation and management of biological resources. USGS biologists develop methods to identify, observe, and manage fish and wildlife, including economically significant invasive species, and their habitats. The Biological Research Discipline (BRD) is the official biological research arm for the Department of the Interior. As such, the BRD conducts management-oriented research at 17 research centers and associated field stations, one technology center, and 40 Cooperative Research Units. The findings of BRD research and information dissemination efforts are an essential component of our nation's innovation enterprise stimulating new lines of inquiry in our nation's academic and private sector research laboratories.

The Biological Research and Monitoring program provides DOI bureaus and others with important scientific data through research, inventory, and monitoring investigations. The Biological Informatics program makes data and information that are vital to scientific discovery and application available for use by decision-makers from all levels of government, the education community, and other non-governmental entities. The Cooperative Research Unit brings scientists from federal and state governments and academia together to work as a team providing them with scientific information and personnel to implement resource management that sustains biological communities on DOI managed and influenced environments. Importantly, the placement of CRUs at universities has enabled federal scientists to contribute to the training of the next generation of natural resource professionals.

FY 08 Recommendation:

The Biological Research programs (Research and Monitoring, Information Management and Delivery, Cooperative Research Units)-\$180 million

An increase of \$2.5 million over the FY 06 appropriated level of \$177.5 million

Department of Transportation

Federal Railway Administration

Amtrak/Passenger Rail

Cities, towns, and states need a variety of transportation options to help move people, goods, and services where they need to go. We can efficiently meet this need while minimizing traffic and pollution if we make sure our transportation choices are smart and balanced. In recent years, intercity travel on highways and airplanes has been steadily consuming more energy on fewer trip-miles. Meanwhile, gridlock on highways is increasing and our airports are becoming more crowded. With record ridership and significant reforms underway, Amtrak is well positioned to serve many of these frequent intercity travelers while easing congestion and pollution.

FY 08 Recommendations:

Amtrak/National Rail Passenger Corporation-\$2 billion

An increase of \$700 million over the FY 06 enacted level of \$1.3 billion

Next Generation High Speed Rail

While the current Amtrak system can meet the needs of a large number of today's travelers-over 25 million in 2004-the next generation high-speed rail is a necessary component of tomorrow's transportation system. The American economy is dependent on an efficient transportation system, and with fuel prices on the rise, we must ensure we can rely on state of the art rail technology to meet economic and security demands. Europe and Asia have developed systems that America must emulate to remain competitive.

FY 08 Recommendation:

Next Generation High Speed Rail-\$25 million

An increase of \$6 million over the FY 06 enacted level of \$19 million

Railroad Rehabilitation and Improvement

The safety and convenience of rail riders is also an important aspect of America's transportation system, and we must continue to invest in it. Consistent with the Administration's desire to end corporate subsidies, we should be helping states to invest in their public rail infrastructure to help develop important corridors, relieve congestion, and ease transportation related pollution.

FY 08 Recommendation:

Railroad Rehabilitation and Improvement-\$10 million in targeted grants to states or coalitions of states

An increase of \$10 million over FY 06 enacted level of \$0

Department of Transportation

Federal Transit Agency

Flex Funding Allowance

Many areas of America are working to reduce traffic congestion, greenhouse gasses, and other pollution by expanding rail service, transit, and other low-carbon transportation options. However, more than 80 percent of federal transportation money is dedicated to roads and highways, making it unavailable for transit development. Flexibility in transportation spending allows municipal and regional planners to exceed this limitation by shift more federal transportation resources towards rail service, transit, and other low-carbon alternatives.

FY 08 Recommendation:

Flex Funding Allowance-\$2 billion

An increase of \$1 billion over the FY 06 enacted level of \$1 billion

New Starts

Bringing transit programs to new areas and cities is one of the most proactive steps we can take to reduce overall emissions of greenhouse gases that cause global warming, increase mobility and transportation choice, preserve communities, reduce traffic, and ease air pollution. New Starts has been an extremely effective program that has brought transit to millions of un-served and under-served Americans. Preservation of current projects along with expansion is a critical piece of the nation's transportation puzzle.

FY 08 Recommendation:

New Starts-\$1.75 billion

An increase of \$0.26 billion over the FY 06 enacted level of \$1.49 billion

Intermodal Passenger Facilities

Increasing the connectivity of the national transportation system increases its efficiency. Americans can save fuel and time if transitions between various modes of transportation are well-linked. The current Intermodal Passenger Facilities program addresses intercity public transportation. The program should be expanded to address connectivity in suburban and rural public transportation as well.

FY 08 Recommendation:

Intermodal Passenger Facilities program-\$100 million

An increase of \$25 million over the FY 06 enacted level of \$75 million

Department of Transportation National Highway Traffic Safety Administration

Fuel Economy Program

National Highway Traffic Safety Administration's (NHTSA) work on fuel economy standards is terribly under funded, in spite of the fact that cars and trucks are responsible for about 40 percent of the oil Americans consume and more than a third of U.S. emissions of greenhouses gases that cause global warming. The energy bill that passed last year authorized only \$3.5 million for NHTSA to proceed with its work on fuel economy standards in FY 07. In contrast, NHTSA's fuel economy program was funded at \$10 million in 1977, when it helped to dramatically reduce the country's dependence on oil.

FY 08 Recommendation:

Fuel Economy program-\$10 million

An increase of \$8 million over the FY 06 budget request of \$2 million

Department of Treasury

The Global Environment Facility (GEF)

The GEF is a unique multilateral institution through which the U.S. government and 31 other donor countries channel funds to support mutually agreed-upon projects in six priority areas-biodiversity conservation, climate change (mainly renewable energy and energy efficiency), international waters, ozone layer protection, land degradation, and persistent organic pollutants.

Between 1991 and 2006, the GEF provided about \$2.2 billion in grants-36 percent of its total grants portfolio-for biodiversity conservation projects and leveraged about \$5.17 billion in co-financing for approximately 750 projects in 155 countries. Having supported some 1,500 protected areas and helped establish more than 60 conservation or endowment trust funds worldwide, the GEF is today the largest international source of funding for protected areas. Throughout the years it has also been at the cutting edge of innovation: actively creating markets for paying for ecosystem services, incorporating biodiversity conservation into production sectors like agriculture, tourism and fisheries, and working with indigenous and local communities. In general, the trusts provide steady, reliable funding for conservation work in developing countries. GEF donor countries pledge resources every four years to the GEF Trust Fund through a process called "replenishment." In 2006, donor countries agreed to a \$3.13 billion replenishment for the July 2006 -June 2010 period, the largest in GEF history. The U.S. pledged a total of \$320 million toward this replenishment. Unfortunately, the U.S. is currently more than \$169 million behind in meeting its past pledges. By redressing that imbalance and securing resources to fulfill its current pledge, the U.S. could encourage other nations to pay their arrears and free up a total of \$1 billion for the global environment.

FY 08 Recommendation:

The Global Environment Facility-\$80 million and \$85 million for arrears

The same as the FY 06 enacted level for general operation with an increase of \$85 million in arrears

Tropical Forest Conservation Act

The Tropical Forest Conservation Act (TFCA) of 1998 provides funding for tropical forest conservation while reducing developing-country debts to the U.S. Treasury. The debt reduction occurs in exchange for the debtor government's commitment to make local currency payments for the protection of its forests. As of October 2006, 12 TFCA agreements had been signed, generating more than \$135 million in long-term commitments for tropical forest conservation in Bangladesh, Belize, Botswana, Colombia, El Salvador, Guatemala, Jamaica, Panama (two separate agreements), Paraguay, Peru, and the Philippines. The three most recent agreements-with Botswana, Guatemala and Paraguay-were signed in 2006. U.S. government expenditures, totaling nearly \$83 million thus far, have leveraged millions from private donors. TFCA is scheduled to be reauthorized for another three years during the 2008 legislative session.

FY 08 Recommendation:

Tropical Forest Conservation Act-\$20 million

The same as the FY 06 enacted level

Environmental Protection Agency

Energy Star

Although as noted above the Department of Energy plays the lead role on most energy-related programs, the EPA has an important role (with DOE) in operating the Energy Star program, a successful voluntary initiative that has made it easy for consumers to find and buy many energy-efficient products. For every federal dollar spent, Energy Star produces average energy bill savings of \$75 and sparks \$15 in investment of new technology. Last year alone Americans, with the help of Energy Star, prevented 30 million metric tons of greenhouse gas emissions-equivalent to the annual emissions from 20 million vehicles, and saved about \$10 billion on their utility bills.

FY 08 Recommendation:

Energy Star-\$52 million

An increase of \$2 million over the FY 06 enacted level of \$50 million

WaterSense

The World Water Council has named the United States the most inefficient water user of 147 countries studied, including European countries that enjoy standards of living comparable to ours. Water conservation programs can produce significant results. Nationwide surveys indicate that over 80 percent of water utility customers would support some form of water conservation measure. Promoting water efficient products and practices would represent a significant step forward in moving the nation toward sensible water use. For example, in 2001 the San Diego area conserved enough water with low-flow toilets to serve suburban Poway (population 80,000) for one year. EPA announced the WaterSense program in June of 2006. It is modeled after the Energy Star program that promotes energy efficient appliances and practices.

FY 08 Recommendation:

WaterSense-\$3.3 million

An increase of \$3.3 million over the FY 06 enacted level of \$0

Brownfields

The Brownfields Revitalization Act was signed into law in 2002, providing a framework to clean up lightly contaminated properties and restore them for more widespread use. The program has the potential to turn unusable areas into engines of prosperity and positive local development. Despite broad support from many stakeholders including the U.S. Conference of Mayors, the National Association of Development Organizations, and the National Association of Industrial and Office Properties, the program has continued to struggle with a lack of funding. In FY 04, only 265 grants were awarded out of 755 applicants, meaning that hundreds of abandoned or underutilized industrial sites remain dirty and useless. The Government Accountability Office estimates that there are 500,000 Brownfields sites across the nation still waiting for funding.

FY 08 Recommendation:

Brownfields programs-\$168 million

An increase of \$5.5 million over FY 06 enacted level of \$162.5 million

Environmental Protection Agency

Superfund

The Superfund program was created in 1980 to locate, investigate, and clean up the worst hazardous and toxic sites nationwide. While 20 percent of the National Priority List Superfund sites have been cleaned up to-date, the Environmental Protection Agency reports that human exposure is not under control at 149 final and proposed Superfund sites. At another 158 final and proposed Superfund sites, EPA has insufficient data to determine if human exposure is under control. The EPA reports that migration of groundwater pollution is not under control at 226 final and proposed Superfund sites. At another 224 final and proposed Superfund sites, EPA has insufficient data to determine if migration of groundwater pollution is under control. The under funding of the Superfund program makes these statistics even more alarming; without adequate funding Americans will continue to be exposed to these dangerous toxic substances.

As a mature program, most remaining sites are now in the construction phase of cleanup where steady and adequate funding is necessary. The EPA Inspector General (IG) and others have documented a significant and growing funding shortfall over the past several years limiting cleanup actions to less than half of that of the Clinton Administration. Funding shortfalls as defined by the IG have grown from \$114.8 million in FY 02 to \$174.9 million in FY 03 to a record \$250 million shortage in FY 04.

This shortfall is exacerbated by the bankruptcy of the Superfund Trust Fund. In 2003, the Superfund Trust ran out of polluter-contributed funds because Congress and the Administration have refused to renew the polluter pays tax on the oil and chemical industries that formerly funded cleanups. American taxpayers should not shoulder the costs of all Superfund-led cleanups. The increase of \$90 million in FY 08 will need to be followed by another \$90 million increase in FY 09 and again in FY 10 to meet the needs of this program.

FY 08 Recommendation:

Superfund-\$1.510 billion

An increase of \$90 million over the FY 06 enacted level of \$1.42 billion

Pesticide Registration Program

The Pesticides Registration Improvement Act of 2003 was passed with the support of 30 industrial, environmental, and agricultural stakeholders. The goal of the program is to provide a predictable agency evaluation process for pesticides while protecting public health and the environment. Stabilizing the Pesticides Registration program has been especially important in combating threats of insect-borne diseases such as West Nile virus, Lyme disease and hantavirus in recent years and has spurred widespread innovation in the industry to create new, safer products.

FY 08 Recommendation:

Pesticide Registration program-\$15 million

Same as FY 06 enacted level

Environmental Protection Agency

Leaking Underground Storage Tanks

In 1986, Congress established the Leaking Underground Storage Tank (LUST) Trust Fund to help the EPA and states pay the costs of cleaning up leaking petroleum USTs when owners fail to do so, and to oversee LUST cleanup activities. The Trust Fund is financed by a 0.1 cent tax on each gallon of motor fuel sold nationwide and had net assets of approximately \$2.5 billion as of August 31, 2005. However, Congress and the administration have repeatedly failed to appropriate sufficient funds from the LUST Trust Fund to pay for cleanups needed-essentially using the unspent funds as a “deficit reduction” gimmick.

Despite initial strides in addressing leaking petroleum underground storage tanks in the 1990s, a new problem emerged as the gasoline additive MTBE was detected at thousands of LUST sites and in numerous drinking water supplies. Even small amounts of MTBE can render water undrinkable because of its strong taste and odor. The cost to clean up MTBE as a result of leaking underground storage tanks is sizable. Two recent studies by water utilities place their best estimates of the costs to clean up public drinking water systems, given the limited data, at \$25 billion⁴ and \$33.2 billion.⁵

FY 08 Recommendation:

Leaking Underground Storage Tanks-\$83.35 million

An increase of \$11.45 million over the FY 06 enacted level of \$71.9 million

Enforcement

The Environmental Protection Agency's ability to enforce environmental laws is critical to our nation's efforts to fulfill objectives of protecting and enhancing the nation's public health and natural resources. The Clean Water Act prohibits discharges of pollutants from point sources into U.S. waters without a National Pollution Discharge Elimination System permit. These permits limit what can be discharged and include monitoring and reporting requirements to ensure that the discharge does not harm water quality or human health. EPA and authorized states implement and enforce these permits. The Clean Air Act's new source review program requires installation of modern pollution control technology when industrial facilities undertake changes that increase air pollution by significant amounts. The EPA has uncovered widespread violations of this requirement that resulted in illegal air pollution releases totaling millions of tons from coal-fired power plants, oil refineries and other industrial sectors. In recent years, as a result of legal settlements and court decisions arising from NSR enforcement cases against power plants and oil refineries, EPA has achieved air pollution reductions that dwarf any other Clean Air Act enforcement activities undertaken by the agency. Finally, EPA is responsible for ensuring that strong enforcement actions are taken in environmental justice communities. EPA must maintain a strong enforcement presence, in concert with the states, to produce real improvements in environmental quality and protect public health.

FY 08 Recommendation:

Enforcement programs-\$506 million

An increase of \$149 million over the FY 06 enacted level of \$357 million

⁴ American Water Works Association, *A Review of Cost Estimates of MTBE Contamination of Public Wells*, June 21, 2005

⁵ Association of Metropolitan Water Agencies, *Cost Estimate to Remove MTBE contamination from Public Drinking Water Systems in the United States*, June 20, 2005

Environmental Protection Agency

State Revolving Funds

With the passage of the Clean Water Act more than 30 years ago, Congress made a financial commitment to protecting and improving water quality first through a grant program and later in 1987 through the establishment of the “state revolving loan fund” (SRF), offering grants and low-interest revolving loans to municipalities for construction of wastewater treatment systems. In 1996 the Safe Drinking Water Act created another state revolving fund for drinking water treatment and protection of surface water and groundwater supply areas. The SRF programs have to a small degree been used to fund nonstructural projects that reduce non-point source pollution, protect estuaries, prevent contamination of drinking source waters, and reduce polluted runoff by protecting natural areas and other “green infrastructure,” such as stream buffers. Investments in the SRFs are also good for the economy. According to the National Utility Contractors Association, the Clean Water SRF alone generates more than 400,000 jobs each year, not including those jobs that are dependent on clean and open beaches, functioning sport and commercial fisheries and shellfisheries and whole host of recreational activities such as sail and motor boating. Various studies done by private and government stakeholders have projected that states and local governments will need at least an additional \$500 billion stream of funding over the next 20 years just to meet current clean water and drinking water infrastructure needs. A greater investment is needed in order to ensure that our waters are fishable, swimmable and drinkable.

FY 08 Recommendation:

Clean Water SRF-\$1.105 billion

An increase of \$218 million over the FY 06 enacted level of \$887 million

The Clean Water SRF was funded at 1.35 billion in FY 02, the highest level of funding in recent memory. In order to ensure that we quickly catch up to this level with inflation, it is imperative that FY 08 increase is followed by an additional influx of \$218 million in both FY 09 and FY 10.

Of the amount budgeted for the CW SRF no less than \$75 million should be reserved for decentralized or non-structural stormwater and wastewater management.

Drinking Water SRF-\$866 million

An increase of \$28 million over the FY 06 enacted level of \$838 million

Environmental Protection Agency

Drinking Water Program and State Drinking Water Grants

EPA must review and update its standards for bacteria, viruses and pathogens in water supplies and distribution systems, create an enforceable standard for lead contamination, address widespread contaminated drinking water on aircraft, and address major unregulated contaminants such as perchlorate (rocket fuel) and MTBE and emerging contaminants such as personal care products, pharmaceuticals and endocrine disruptors. The EPA and states also are facing major new implementation and enforcement issues for new health standards for arsenic, for disease-causing microorganisms such as *Cryptosporidium*, and for cancer and miscarriage and birth defect-inducing chemicals called disinfection byproducts. Ongoing research regarding development of new treatment technologies and lab techniques and understanding of contaminant occurrence, including populating the National Contaminant Occurrence Database (NCOD) need to be supported not cut.

In 49 states, except for Wyoming and the District of Columbia, EPA has authorized the state to take over primary responsibility for implementation and enforcement of drinking water safety standards. Numerous reviews, including a Government Accountability Office review issued in 2000, and a more recent survey by the Association of State Drinking Water Administrators published in 2003, have repeatedly found that states are chronically under funded in providing assurance that drinking water is safe, threatening public health. States need additional resources through the Public Water Supply Supervision state (PWSS) grant program to assure that the public's health is protected.

FY 08 Recommendation:

Public Water System Supervision Grants to States-\$139.7 million

An increase of \$40 million over the FY 06 enacted level of \$99.7 million

EPA Drinking Water program-\$116.4 million

An increase of \$19.8 million over the FY 06 enacted level of \$96.6 million

Non-point Source Management Program, Clean Water Act Section 319

The damage caused by non-point source pollution ruins habitat and aquatic life, contaminates drinking water, increases beach and swimming area closures, reduces recreational opportunities, increases fish kills, dilapidates aesthetic waterways, and causes many other severe environmental and human health problems. The Section 319 Non-point Source Management program provides grant money that states, territories, and Indian tribes can use for a wide variety of pollution reduction activities including demonstration projects, technical and financial assistance, public education programs, professional training, technology transfers, and water quality monitoring. The requested increase of \$21 million will need to be followed by another \$25 million increase in FY 09 to meet the needs of this program.

FY 08 Recommendation:

Section 319 Non-point Source Management program-\$225 million

An increase of \$21 million over the FY 06 enacted level of \$204

Environmental Protection Agency

Environmental Justice

In 1992 President George H.W. Bush established the Office of Environmental Equity (now the Office of Environmental Justice) within the U.S. EPA to integrate environmental justice into the agency's programs. In 1994, President Clinton issued Executive Order 12898 requiring each federal agency, "to make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations." The EPA adopted commitments to environmental justice, yet today there continues to be many places where minority and low-income neighborhoods face disproportionately high levels of air and water pollution and exposure to toxic waste and other health hazards due to federal environmental laws not being evenly enforced. Data shows that black Americans are 79 percent more likely than whites to live in neighborhoods where industrial pollution poses the greatest health danger, and residents in neighborhoods with the highest pollution scores also tend to be poorer, less educated, and more often unemployed than residents of less-polluted neighborhoods. In 2005, the Government Accountability Office released a report finding that the EPA generally devoted little attention to environmental justice issues while drafting three significant clean air rules on gasoline, diesel, and ozone between fiscal years 2000 and 2004. Then in 2006, EPA's own Office of Inspector General issued yet another scathing report on EPA's failure to fully implement the Executive Order, and recommends that EPA review all its programs, policies, and activities to develop a plan to ensure compliance with the Order.

Funding for the Office of Environmental Justice must be sustained and Executive Order 12898 must be full implemented by the EPA to integrate environmental justice into their day to day operation.

FY 08 Recommendation:

Office of Environmental Justice-\$6.4 million

Same as FY 06 enacted level

Total Maximum Daily Loads

The establishment of Total Maximum Daily Loads (TMDLs) under section 303(d) of the Clean Water Act is a sensible and necessary step in accounting for the range of activities and sources that damage and threaten water quality. TMDLs allow states and the Environmental Protection Agency to identify all sources of water quality impairment to rivers, streams and lakes that do not meet water quality standards, develop specific goals for improvement, and design plans to reduce pollutant loads into receiving water bodies. TMDLs must be developed in a way that is consistent with the Clean Water Act, is compatible with related water quality programs and regulatory processes, and leads to real improvements, rather than more paperwork and delay. The development of strong TMDLs by the states requires a commitment of adequate resources. These resources need to be reinvested in the program over the next two years with increases of \$17 million this year and next.

FY 08 Recommendation:

State Program Management Grants (CWA section 106)-\$233 million

An increase of \$17 million over the FY 06 enacted level of \$216 million

Environmental Protection Agency

BEACH Act Grant Program

Our nation's public beaches are popular destination spots for recreation. Unfortunately, many of our nation's public beach waters are polluted with bacteria and viruses that can make swimmers ill. Polluted urban stormwater, sewage spills and combined sewer overflows are the major sources of beach water pollution. In 2005, beach pollution prompted more than 20,000 closings and swimming advisory days at ocean, bay, and Great Lakes beaches. In 2000, Congress unanimously passed the Beaches Environmental Assessment and Coastal Health Act. The BEACH Act established a grant program for beach water testing and public notification programs. Regular information about beach water quality helps to protect the public from swimming in polluted waters and can help communities identify problems with their wastewater treatment systems. In order for the program to meet the demands of the public and Congress, the program will need to reach a funding level of \$30 million by FY 09.

FY 08 Recommendation:

BEACH Act Grant Program-\$20 million

An increase of \$10 million over the FY 06 enacted level of \$10 million

National Estuary Program

Estuaries are vibrant coastal zones where saltwater meets freshwater, creating some of the most biologically productive areas on Earth. Started in 1987 under amendments to the Clean Water Act, the National Estuary program protects and restores the nation's estuaries by creating partnerships with local communities. The program focuses not just on improving water quality in an estuary, but also on maintaining the integrity of the whole system-its chemical, physical, and biological properties, as well as its economic, recreational, and aesthetic values. Since its inception, the program has grown to include twenty-eight programs across the country, but funding levels have stagnated.

FY 08 Recommendation:

National Estuary Program-\$25 million

An increase of \$1 million over the FY 07 enacted level of \$24 million

Environmental Protection Agency

Mercury Monitoring Network

In March 2005, the Environmental Protection Agency abandoned its Clean Air Act obligation to impose source-specific mercury controls on coal-fired power plants, and substituted a regulatory approach that allowed nationwide trading of this dangerous neurotoxin by the largest industrial source of this pollution. When the agency did so, it committed to monitor and evaluate whether any "hot spots" of mercury concentrations might arise from their approach. Yet the EPA and the states lack a mercury monitoring network to monitor either dry deposition of mercury, and have an inadequate wet deposition monitoring network. And there is no indication that EPA is seeking to establish such a mercury monitoring network, nor carry through on its commitment to monitor and analyze mercury hot spots. EPA must monitor and analyze wet and dry mercury deposition in the local areas around coal-fired power plants.

FY 08 Recommendation:

Mercury Monitoring Network: \$10 million

An increase of \$10 million over the FY 06 enacted level of \$0

Targeted Watershed Grants

The Targeted Watershed Grants program provides direct grants to a limited number of watershed groups, tribes, and communities working to improve water quality. Portions of these funds are designated for technical assistance programs and to train community groups engaged in watershed-level protection and restoration projects. This training is essential to protect and restore the nation's rivers and watersheds.

FY 08 Recommendation:

Targeted Watershed Grants-\$20 million with \$2 million dedicated to technical assistance

An increase of \$3.4 million over the FY 07 enacted level of \$16.6 million

National Oceanic and Atmospheric Administration

The National Oceanic and Atmospheric Administration (NOAA) is responsible for refining scientific understanding of global warming and its impacts; managing and conserving our oceans, expanding scientific exploration and ocean observation, sustaining coastal economies, and forecasting our weather, among other critical duties, yet has suffered continuing funding cuts over the past years. The political battles waged during the appropriations process have taken a heavy toll on NOAA. The U.S. Commission on Ocean Policy, the Pew Oceans Commission and the Joint Ocean Commission Initiative all identified the need to provide additional resources for NOAA. A broad coalition of industry, conservation organizations, academic researchers, and scientific organizations among others have joined together to support overall funding for NOAA at \$4.5 billion. In the last hours of the 109th Congress, the Magnuson Stevens Fishery Conservation and Management Act was reauthorized. A number of new research programs, management authority, and additional responsibilities were bestowed upon the National Marine Fisheries Service and the Regional Fishery Management Councils. All of the changes to the law will require increased funding to implement them.

FY 08 recommendation:

National Oceanic and Atmospheric Administration-\$4.5 billion

An increase of \$650 million over FY 06 enacted level of \$3.85 billion

National Oceanic and Atmospheric Administration

National Marine Fisheries Service

Expand Annual Stock Assessments

Due to a lack of funding for basic research, the National Marine Fisheries Service does not have adequate information about the status of many commercial fish stocks. Almost two-thirds of the nation's fish populations lack basic information to determine their status; there are 46 "major" stocks where the information about their status is classified as "unknown." Additional resources would allow the National Marine Fisheries Service to hire additional biologists to produce annual stock assessments, fund necessary charter days at sea to collect data, and significantly reduce the number of fish stocks with an unknown status. Accelerating the collection of stock assessment information will help inform and improve fish management decisions.

FY 08 Recommendation:

Expand Annual Stock Assessments-\$30 million

An increase of \$6.3 million over the FY 06 enacted level of \$23.7 million

Fishery Observer Program

Recent scientific reports paint a bleak future for our oceans, so understanding the impacts of fishing-for commercially as well as ecologically important species-is increasingly important for improved conservation. Fishery observers are independent scientists who gather information about fishing practices by accompanying fishermen at sea. Observers collect data on the composition and amount of the actual catch brought on board during fishing operations. This is in contrast to landings data which only record what is brought to port, failing to account for the "bycatch"-often dead or injured species thrown back before being landed. This data is especially important as it is the primary source for identifying and monitoring marine mammal, sea turtle, sea bird, and other ocean wildlife bycatch.

According to the National Marine Fisheries Service, observers are currently deployed to collect fishery data in only 42 of the nation's 300 fisheries. Even for many of those fisheries that have observers, existing coverage levels are well below the levels needed for precise and accurate estimates of bycatch and total catch of fish and protected marine species. In its final report, the U.S. Commission on Ocean Policy concluded that, "accurate, reliable science is critical to successful management of fisheries," and endorsed the use of observers as key to bycatch reduction efforts. Increased funding is needed for the National Observer program as well as for programs in critical regions to ensure accurate and timely observer data for science-based ocean management.

FY 08 recommendation:

Fishery Observers-\$56 million, including the following for specific programs:

\$9.0 million for the National Observer program

\$7.5 million for the Atlantic Coast Observer program

\$20 million for Northeast observers (including \$9.5 million for the New England groundfish fishery)

\$5.8 million in the Gulf of Mexico to establish a reef fish observer program and to expand the shrimp observer program

\$2.0 million in the South Atlantic to establish a reef fish observer program and to monitor the shrimp fishery

An increase of \$32.7 million over the FY 06 enacted level of \$23.3 million

National Oceanic and Atmospheric Administration

National Marine Fisheries Service

Enforcement

Successful fishery management relies upon fair enforcement of laws, regulations, and other requirements of fishery management plans. Without funds for enforcement personnel at sea and at ports, compliance with fisheries laws will be uncertain. The enforcement program also provides money to support cooperative agreements with state enforcement authorities.

The Vessel Monitoring System (VMS) is one tool that the National Marine Fisheries Service uses to improve monitoring and enforcement of areas closed for protection of ocean wildlife populations and important habitats. VMS are satellite transponders permanently affixed to fishing vessels that allow for real time tracking of an individual vessel's location and speed. Of the \$9.2 million enacted in FY 06, \$4.8 million is needed to support and maintain the existing infrastructure of the system. The remaining \$4.4 million is to cover the costs of purchasing and installing units on approximately 2,000 additional vessels. There are an estimated 10,000 commercial fishing vessels in the United States, therefore to ensure more widespread implementation of VMS programs, we recommend funding be increased to \$18.3 million.

FY 08 Recommendation:

Enforcement-\$57.1 million, including

Vessel Monitoring System-\$18.3 million

An increase of \$7.6 million over the FY 06 enacted level of \$49.5 million

Bycatch Reduction Initiative

One of the primary issues threatening the future of our fisheries is the catch and subsequent death or injury of unwanted fish and ocean life. Prominent fishery scientists recently completed a thorough examination of fish data and concluded that more than one million metric tons of fish and invertebrate bycatch are caught by U.S. commercial fishermen; this bycatch is approximately 28 percent of the total commercial catch. Congress has provided additional federal support to help address the challenges of bycatch. This initiative supports enhanced technical solutions and outreach to reduce bycatch and improves cooperative research activities with fishermen. It also promotes international transfer of technology, gear modifications, and fishing practices that often benefit domestic fisheries that target highly migratory fish species.

FY 08 recommendation:

Reducing Bycatch Initiative-\$5 million

An increase of \$2.23 million over the FY 06 enacted level of \$2.77 million

National Oceanic and Atmospheric Administration

National Marine Fisheries Service

Marine Mammal Protection

Marine mammals are managed primarily by the National Marine Fisheries Service and are protected by the Marine Mammal Protection Act. Additionally, some marine mammals, such as right whales, are afforded extra protections as they are listed under the Endangered Species Act. The need for additional funding for the marine mammal program is so clear that a recent government report stated, "NOAA Fisheries has insufficient resources to meet legislative mandates and attain mission goals of the Agency with respect to protected species programs."

Stock assessments are critical, and improvements are needed in stock identification, abundance, fishery mortality, and assessment frequency and data quality. For this alone, NMFS requires an increase of over 140 FTEs and 500 contract employees including researchers, observers and others. Currently, 36 marine mammal stocks have an unknown status, meaning information is not available to determine whether the population is healthy, declining, or depleted.

A main cause of mortality and serious injury of marine mammals is bycatch in fishing gear. A trawl, longlines, gillnets, traps, and other fishing gear pose great threat to marine mammals such as dolphins, seals, and whales. In order to help alleviate these conflicts, take reduction plans are created to outline management measures needed to reduce interactions in the water. Additional resources are needed to not only implement, monitor and enforce existing plans, but to develop new plans. In 2006, funding constraints have limited the trawl take reduction team to only one meeting and it is unclear if the group will meet again. Without a completed plan, any in-the-water conservation is stalled.

For species listed under the Endangered Species Act, the goal is to restore these species to healthy population levels. Recovery plans, critical habitat protection and designations, and interagency consultations are all key aspects of protecting endangered marine mammals that need additional funding. For example, the critically endangered North Atlantic right whale, with approximately only 300 individuals remaining, continues to decline, yet funding for conservation, research and emergency measures to recover it has been slashed in recent years.

Outside of fishery interactions, there are a number of current and emerging threats to marine mammals that need to be addressed including ocean noise, habitat degradation, contaminants, harmful algal blooms, and ship strikes, among other hazards.

We recommend restoring funding to the FY 05 enacted level of \$82 million.

FY 08 recommendation:

Protected Resources Research & Management programs-Mammals-\$82 million
An increase of \$41.6 million above the FY 06 enacted level of \$40.4 million

National Oceanic and Atmospheric Administration

National Marine Fisheries Service

Sea Turtle Conservation

All sea turtles in U.S. waters are listed as endangered or threatened under the Endangered Species Act. One of the greatest threats to sea turtles worldwide is serious injury or death from being caught or entangled in fishing gear. Additionally, there has been a steep nest count decline at the largest remaining loggerhead sea turtle rookery in the United States; and the Pacific leatherback sea turtle, residents of our planet for 65 million years, are now regarded close to extinction.

Additional resources are needed to track changes in sea turtle populations and to conduct enhanced sea turtle stock assessments. Increased funding for the Atlantic sea turtle bycatch reduction strategy is needed to develop gear modifications to protect turtles from being captured in fishing gear. Endangered Species Act compliance activities for listed fish, crustaceans, and mollusks are also funded out of this line item.

FY 08 Recommendation:

Protected Resources Research & Management programs-\$26.4 million, including:
In-Water Index Sampling Programs for Long Term Trend Monitoring-\$1 million
Improving Sea Turtle Population Assessments and Related Data-\$1 million
Gear Research for Bycatch Reduction in Atlantic and Gulf of Mexico Fisheries-\$1 million
Grant funding for State Projects Under ESA Section 6 Agreements-\$2 million
Support for International Research, Management, and Capacity Building-\$3 million
An increase of \$8 million above FY 06 enacted level of \$18.4 million

Community-Based Restoration Program

The Community-based Restoration program, funded through the National Oceanic and Atmospheric Administration's (NOAA) Restoration Center, reaches out to local constituencies to accomplish on-the-ground, community-based projects to restore estuaries and coastal habitats. Partnerships and local involvement are fundamental to the success of this program. Partners typically match federal dollars one-to-one and leverage those dollars up to ten times more through state and local participation. To date, the program has funded more than 900 projects in 25 states, promoting fishery habitat restoration in coastal areas with a grassroots, bottom-up approach.

FY 08 Recommendation:

NOAA Community-Based Restoration program-\$18 million
An increase of \$5 million over the FY 06 enacted level of \$13 million

National Oceanic and Atmospheric Administration

National Marine Fisheries Service

Open Rivers Initiative

Our nation's rivers are plugged with millions of dams, most still functional and benefiting society. Many others are either dilapidated, having outlived their 50-year life expectancy, or are no longer providing the benefits for which they were built. These dams are unnecessarily degrading the riverine ecosystem and holding up economic development. The Open Rivers Initiative (ORI), a Presidential initiative announced by the Secretary of Commerce in 2005, will provide grants to communities and local dam owners to remove their dams that no longer make sense. These restoration projects provide significant environmental improvements and offer noteworthy economic and societal benefits. They create new opportunities for recreational fishing, river rafting, and kayaking; provide cost savings by eliminating the need for dam repairs; and remove safety and liability risks associated with outdated structures.

FY 08 Recommendation:

Open Rivers Initiative-\$10 million

An increase of \$10 million over the FY 06 enacted level of \$0

Antarctic Research

The U.S. Antarctic Marine Living Resources (AMLR) program, mandated by the Antarctic Marine Living Resources Act of 1984 and administered by the National Marine Fisheries Service (NMFS), provides a basis for U.S. policy on the management and conservation of Antarctic marine living resources. Supporting U.S. participation in international work to protect the Antarctic and its marine life through research cruises and land based operations, AMLR efforts are directed at gathering biological information on various populations for their protection. Antarctica is a relatively simple ecosystem with just a few links in the food chain; by understanding the effects of climate change on Antarctic animals, data models can be extrapolated to model the more complex, temperate ecosystems and aid in the solutions to global climate change.

AMLR represents the National Oceanic and Atmospheric Administration's only Antarctic biological program. AMLR has been monitoring the Antarctic for almost 30 years and has generated an extensive data set. Interrupting the research would represent a significant lost opportunity with the data gathered having implications outside the Antarctic. AMLR's ship time in FY 07 was cut in half to 35 days due to budget shortfalls and AMLR has no plans to charter a ship for FY 08, bringing an end to the most complete and longest data set the U.S. has on any ecosystem. Unless at least \$4 million is appropriated for the program, the 2008 research cruise cannot take place. This increase represents the minimum amount needed to continue the current research. In order to expand its research beyond data collection and into the effects of climate change, AMLR would require a total of \$5.5 million. AMLR funding currently comes from two sources: a specific line item, "Antarctic Research" of roughly \$1.4 million and another \$1.9 million from the NMFS funding line "Fisheries Research and Management." We propose moving all funding to the Antarctic Research line item to simplify accounting and remove some of the confusion surrounding the total budget amount.

FY 08 Recommendations:

Antarctic Research-\$5.5 million

An increase of \$2.2 million over the FY 06 enacted level of \$3.3 million

National Oceanic and Atmospheric Administration

National Marine Fisheries Service

Pacific Coastal Salmon Recovery Fund (PCSRF)

Wild Pacific salmon and steelhead are national treasures of enormous environmental, economic, and cultural significance. These important species are in decline due to a variety of factors such as dams, unsustainable logging and agricultural practices, urban sprawl, and poor hatchery practices. Twenty-six of the 51 salmon and steelhead stocks along the West Coast from Washington to California are listed under the Endangered Species Act (ESA). The Pacific Coast Salmon Recovery Fund is aimed at restoring and protecting habitat for these imperiled fish. This program provides much-needed assistance to state, local, and tribal governments in Washington, Oregon, California, Idaho and Alaska. These funds are matched dollar-for-dollar at the state and local level, and can be used for habitat restoration, preservation, and acquisition, as well as for monitoring the health of salmon populations and watersheds.

Citizens, watershed groups, Native American tribes, and federal and state agencies from across the nation have been working to bring these species back from the brink of extinction and set them on the road to recovery. With several new salmon recovery plans in effect or about to take effect, it is imperative to fund these plans at levels that will allow for their full implementation to successfully recover wild salmon and steelhead. Funding the PCSRF at \$120 million is an excellent starting point; however, in order to provide an adequate federal contribution for the completion and implementation of remaining recovery plans from Southern California to Alaska to Idaho, funding of the PCSRF will need to increase to \$250 million per year by 2010.

FY 08 Recommendation:

Pacific Coastal Salmon Recovery Fund: \$120 million

An increase of \$53 million over the FY 06 enacted level of \$67 million

National Oceanic and Atmospheric Administration

National Ocean Service

National Marine Sanctuary Program

The National Marine Sanctuary System, which consists of 13 national marine sanctuaries and the Northwestern Hawaiian Islands Marine National Monument, encompasses more than 150,000 square miles of marine and Great Lakes waters and includes our nation's most diverse marine ecosystems. Areas such as coral reef and mangrove forest ecosystems off the Florida Keys to the tide pools and kelp forests along the Olympic Coast are managed through the Sanctuary program. The Northwestern Hawaiian Islands Marine National Monument is the newest addition and creates an important coral reef ecosystem preserve. It covers roughly 140,000 square miles of reefs, atolls and shallow and deep sea, and is home to more than 7,000 marine species, including the endangered Hawaiian monk seal. The National Marine Sanctuary Program also undertakes important education, monitoring, and research projects.

In past years, the National Marine Sanctuary program has been funded at \$50 million or more. In FY 06, only \$39.3 million was dedicated to this program. Increased funding is essential to fully implement the existing sanctuaries' management plans, including ecosystem-based management and the sustainable use of these national marine treasures. Funding is also needed to provide additional resources for management and enforcement for the Northwestern Hawaiian Islands Marine Monument.

FY 08 Recommendation:

National Marine Sanctuary Program-\$60 million

An increase of \$25 million over the FY 06 enacted level of \$35 million

Marine Protected Areas Center

Well-designed and implemented marine protected areas (MPAs) are an important tool for maintaining marine biological diversity, protecting ocean habitats, and managing fish populations. They also provide opportunities for scientific research, education, and recreation that is compatible with their mission. The term "marine protected area" is itself a broad term that encompasses a spectrum of management schemes, but generally refers to area-based management where natural or cultural resources are given greater protection than the area surrounding them. The National Marine Protected Areas Center was established within NOAA to undertake the essential task of developing an integrated national system of MPAs which advances the conservation of our nation's vital natural and cultural marine resources. The MPA Center must have its funding restored if it is to carry out its goals, including completing the framework for the national system of MPAs, managing MPA coordination, conducting outreach and education, and overseeing the collection of data for the marine managed areas inventory-all of which will contribute to the effective use of MPAs as a tool for ecosystem-based management.

FY 08 Recommendation:

Marine Protected Areas Center-\$3.2 million

An increase of \$1.72 million over the FY 06 enacted level of \$1.48 million

National Oceanic and Atmospheric Administration

National Ocean Service

Tropical Coral Conservation

Tropical coral reefs are often called the rainforests of the ocean because of the amount of rich biodiversity that these habitats provide. Living coral reef ecosystems provide shelter for marine animals, protection from predators, and feeding, spawning, and nursery areas for many fish species, including commercially important fish. For coastal communities, coral reefs also play important roles in the protection of coastlines from storms and as income sources through tourism. Tropical corals face many threats including damaging fishing practices, land-based pollution, and vessel strikes. Recent episodes of coral bleaching illustrate a need for managers to better understand all the threats these important ecosystems face. Sensitive to human and environmental factors, these slow-growing reef systems need to be conserved for the health of our oceans. NOAA's Tropical Coral Reef programs, under the U.S. Coral Reef Task Force, focus on improving the understanding tropical coral reef ecosystems and minimizing the threats to their health and viability.

FY 08 Recommendation:

Tropical Coral Reef Programs-\$26 million

An increase of \$1.2 million over the FY 06 enacted level of \$24.8 million

Coastal and Estuarine Land Conservation Program (CELCP)

Our nation's coastlines are under significant pressures from unplanned development, and it is estimated that by 2025, nearly 75 percent of the nation's population will live within 50 miles of the coast. As a result of this trend, coastal uplands, beachfronts and estuaries are threatened and public access to the coast has been substantially reduced. The Coastal and Estuarine Land Conservation program was created by Congress to initiate a new federal-state partnership to address this problem. Through FY 06, CELCP has invested over \$177 million towards 130 conservation projects in 25 of the nation's 35 coastal states. These federal funds have been matched by at least an equal amount of state, local and private funds.

FY 08 Recommendation:

Coastal and Estuarine Land Conservation Program-\$70 million

An increase of \$31.05 million over the FY 06 enacted level of \$38.95 million

National Oceanic and Atmospheric Administration

National Ocean Service

Deep-Water Coral Conservation

Coral ecosystems are also found on the deep sea floor. Two-thirds of all known coral species live in dark, cold waters. Unfortunately, these ecosystems are not well understood. In fact, most of the U.S. deep sea coral habitat has not even been located. Recently, scientists have begun to discover that deep water coral communities may contain valuable medicines that may one day lead to treatments for cancer or HIV. These coral gardens take hundreds of years to form and can be destroyed in a matter of minutes by certain types of destructive fishing gear.

A Deep-Water Coral Research program is vital for an integrated approach to the inventory, mapping, assessment, and monitoring of U.S. deep water coral habitat. Establishing this program will require \$15 million. Funds will go towards mapping deep-water coral habitat by research cruises and minimizing fishing gear impacts through education, outreach, additional fishery observers, and enforcement activities. Current mapping of deep water corals is conducted on an ad hoc basis; therefore interagency coordination is key to the success of the effort. A Deep-Water Coral Research program will allow managers to identify and better protect sensitive deep sea coral habitat throughout our national waters.

FY 08 Recommendation:

Deep Water Coral Conservation-\$15 million

A new program for FY 08

National Oceanic and Atmospheric Administration

Office of Research

National Undersea Research Program

As part of its response to the U.S. Commission on Ocean Policy, the Administration is finalizing an Ocean Research Priority Plan that will identify the most pressing research needs of the next decade. NOAA's National Undersea Research Program (NURP) will be instrumental in implementing many of the priority topics in the research plan, including Stewardship of Natural and Cultural Resources, Improving Ecosystem Health, the Ocean's Role in Climate and Increasing Resilience to Natural Hazards. The program provides scientists with advanced underwater technologies, such as remotely operated underwater vehicles, human occupied submersibles, advanced technical diving, and underwater laboratories and observatories to conduct important research. Through regional science centers, the program provides grants to academic researchers to further enhance understanding of our oceans and Great Lakes. This new information is used by the National Marine Fisheries Service (NMFS) to protect and manage fisheries, corals and other undersea ecosystems. NURP-sponsored research has contributed to improving methods for assessing fish populations; locating and mapping areas of deep sea corals; and assessing the impacts of bleaching, climate change, and water pollution on tropical coral reefs. Funding in FY 06 was cut more than 40 percent, halting important marine research. We support funding the National Undersea Research program at \$12.3 million, the FY 05 enacted level.

FY 08 recommendation:

National Undersea Research Program-\$12.3 million

An increase of \$8.1 million over the FY 06 enacted level of \$4.2 million

Ocean Acidification

In addition to climate change, anthropogenic carbon dioxide emissions cause ocean acidification. As atmospheric carbon dioxide increases, it gets taken up by the oceans and makes them more acidic. Since pre-industrial times the average ocean pH has decreased by 30 percent. A major consequence of this acidification is altered carbonate chemistry in the oceans globally. As pH declines, carbonate becomes less available to calcifying organisms. Researchers agree that this will pose a significant threat to marine ecosystems in the next century. Modelers have predicted substantial declines in carbonate concentrations globally by 2100 under 'business as usual' emission scenarios. To better understand the ecological implications of these impacts, further research is needed. Priority research includes long-term, community-level experimentation that looks at combined threats. In addition, experiments designed to look at the potential for evolutionary adaptation will be important. Lastly, paleochemistry and paleoecology of historical periods of low oceanic pH will be very helpful in defining ecological impacts. Because this field is just developing, funding should be directed to a National Research Council study and agency planning in addition to research.

FY 08 Recommendation:

Ocean Acidification-\$10 million

A new program for FY 08

U.S. Agency for International Development (USAID)

Biodiversity Conservation Programs

U.S. foreign assistance helps to build and sustain democratic, well-governed states that act responsibly and serve the needs of their people. For more than 20 years, the USAID Biodiversity Conservation program, implemented through U.S. missions with guidance from headquarters, has provided expertise on the development and conservation needs of local communities around the world. USAID is the single largest U.S. government contributor to biodiversity conservation in developing countries. In the modern-day era, biodiversity funding has successfully been used as second track diplomacy to stabilize and bolster states vulnerable to political, economic, or social upheaval. Countries that cannot reach agreement on political issues have been able to come together to resolve pressing issues surrounding human/wildlife conflicts, landscape level natural resource management, and ecotourism. This is because biodiversity conservation and natural resource management programs are uniquely situated to serve many aspects of a country's development ranging from promoting peace and security, to good governance, investing in people, economic growth, and humanitarian assistance. As the U.S. Foreign Assistance Framework is implemented, it is important to remember that biodiversity conservation and natural resource management assist in rebuilding, stabilizing, and transforming countries by ensuring that natural resources, scientific capacity, and community-based decision making will endure for generations to come.

FY 08 Recommendation:

Biodiversity Conservation Programs-\$185.5 million

An increase of \$20 million over the FY 06 enacted level of \$165.5 million

Cross-Cutting Restoration Programs Chesapeake Bay

The Chesapeake Bay is a national treasure. However, the ecological health of the largest estuary in the United States, whose 64,000 square-mile watershed covers parts of six states and the District of Columbia, continues to be poor-only 29 on a 100 point scale according to the Chesapeake Bay Foundation's annual State of the Bay report. Aggressive efforts undertaken over the past thirty years to limit pollution and restore the Bay's incredible biological productivity are not keeping pace with population and development trends. Water pollution-mainly excess nitrogen and phosphorous-from sewage treatment plants, agriculture, and urban runoff, together with air pollution from power plants, vehicles, and industry, threaten the Bay's future. A distinguished Blue Ribbon Panel convened by Governors of the six states and the Mayor of the District of Columbia in 2004 called for a \$12 billion federal investment in the long-term health of the Chesapeake Bay.

FY 08 Recommendation:

Environmental Protection Agency

Chesapeake Bay Program-\$25 million

An increase of \$3 million over the FY 06 enacted level of \$22 million

Chesapeake Bay Small Watershed Grants-\$10 million

An increase of \$8.1 million over the FY 06 enacted level of \$1.9 million

USDA Natural Resources Conservation Service

Support for Chesapeake Bay Activities on farms-\$6 million

Same as FY 06 enacted

US Army Corps of Engineers

Chesapeake Bay Environmental Restoration and Protection-\$10 million

An increase of \$8.02 million over the FY 06 enacted level of \$1.98 million

Chesapeake Bay Oyster Restoration-\$10 million

An increase of \$7.77 million over the FY 06 enacted level of \$2.23 million

National Oceanic and Atmospheric Administration

Chesapeake Bay Oyster Restoration-\$15 million

An increase of \$7.1 million over the FY 06 enacted level of \$7.9 million

Cross-Cutting Restoration Programs Coastal Louisiana Restoration

Where the Mississippi River meets the Gulf of Mexico it forms a complex of ecosystems that are drastically unique and vitally important to the economic, environmental, and the security-related concerns of the gulf region and its citizens. The vast wetland complexes that previously covered acres of the Mississippi delta are disappearing at an alarming rate because the river cannot deposit its vital sediments into the surrounding wetlands. The loss of 2000 square miles of wetlands through the years has led to a dramatic decrease in the natural protection afforded by wetlands and barrier islands to coastal cities such as New Orleans. In the wake of Hurricane Katrina, it is paramount to consider coastal restoration and conservation as an integral portion of the rebuilding of New Orleans and the Gulf Coast and to appropriate funds accordingly.

FY 08 Recommendation:

Mississippi River Sediment and Freshwater Diversions-\$1 billion

An increase \$992.6 million over the FY 06 enacted level of \$7.4 million

Cross-Cutting Restoration Programs Everglades Ecosystem Restoration

The 18,000-square-mile Everglades ecosystem of central and southern Florida is one of the world's most diverse and productive wetlands, but is also one of the nation's most imperiled natural wetland ecosystems. Since 1900, more than half of the ecosystem has been drained and lost to urban and agricultural development, and the remaining marshes are crisscrossed by 1,400 miles of canals that alter natural water flows. Restoration of the Everglades is at a critical juncture. Keeping Everglades restoration on schedule and the Federal/Florida partnership strong requires significant federal investment in 2008. The long anticipated Modified Waters and Kissimmee River Restoration Projects will be completed by 2010, but only if fully funded over the next three years. It is time to begin implementation of the Comprehensive Everglades Restoration Plan (CERP), authorized 6 years ago.

Comprehensive Everglades Restoration Program

The Comprehensive Everglades Restoration Program (CERP) is aimed at reversing the decline of the Everglades and loss of the many ecological and economic services it provides. The program will restore water flows throughout the ecosystem, clean up polluted waters, purchase privately owned lands to create a buffer between natural and urban areas, protect habitat, and enhance recreational opportunities.

Kissimmee River Restoration

Upon completion of the Kissimmee River restoration project in 2011, over 40 square miles of river and floodplain ecosystem will be restored, including returning 43 miles of meandering river to its original course and re-creating 27,000 of the 35,000 acres of wetlands that were lost to past flood control efforts. The estimated \$494.8 million restoration project is being jointly implemented and equally cost-shared by the South Florida Water Management District and the Army Corps of Engineers.

FY 08 Recommendation:

U.S. Army Corps of Engineers-

Central and Southern Florida Project-\$121 million

An increase of \$47.1 million over the FY 06 enacted level of \$73.9 million

Comprehensive Everglades Restoration Program (CERP) Construction-\$35 million

An increase of \$35 million over the FY 06 enacted level

Kissimmee River Restoration-\$50 million

An increase of \$36.8 million over the FY 06 enacted level of \$13.2 million

Everglades' Critical Projects-\$8.3 million

A decrease of \$3.7 million over the FY 06 enacted level of \$12 million

Modified Water Deliveries to Everglades National Park-\$35 million

Same as FY 06 enacted

continued on next page

Cross-Cutting Restoration Programs Everglades Ecosystem Restoration

Department of the Interior-

CERP-Fish & Wildlife Service and National Park Service \$7.9 million
A decrease of .7 million over the FY 06 enacted level of \$8.6 million

NPS Modified Water Deliveries to Everglades National Park-\$14.4 million
A decrease of \$10.6 million over the FY 06 enacted level of \$25 million

LWCF Land Acquisition Grants-\$20 million
An increase of \$20 million over the FY 06 enacted level of \$0

U.S. Department of Commerce, National Oceanic Atmospheric Administration-
NMFS, NOS, OAR programs \$6 million
An increase of \$6 million over the FY 06 enacted level of \$0

Cross-Cutting Restoration Programs Great Lakes Ecosystem Restoration Projects

The Great Lakes hold one-fifth of the world's fresh surface water supply. For the more than 30 million people that live within the watershed, the Great Lakes hold the key to economic health, recreation, and irreplaceable family experiences. They support the economy through agriculture, industrial manufacturing, steel production, commercial and sport fisheries, and recreation and tourism. More than 150,000 Americans work in the Great Lakes' shipping industry, which provides passage for approximately 180 million tons of cargo annually. The economic benefits in the Great Lake states are more than \$15 billion for hunting, fishing, and wildlife watching.

Despite their overwhelming greatness and their vast expanse, the Great Lakes are fragile and in peril. Raw sewage contaminates beaches, invasive species threaten native fish, and toxic mercury makes fish unsafe to eat. These problems have reached a critical tipping point. Scientists say that action must be taken now or the entire Great Lakes ecosystem will be damaged beyond repair. Funding is needed to restore the health of the Great Lakes. Every day we wait the problems get worse and the solutions get more costly.

In 2005, the Great Lakes Regional Collaboration (GLRC) produced a blueprint to protect and restore the Great Lakes. The GLRC, which was made up of over 1500 leaders from around the region, identified goals to restore this fresh water resource. Some recommendations are outlined in other areas of this report, such as the Clean Water State Revolving Fund and Farm Bill conservation programs. The programs listed below are specific to the Great Lakes. They are supported by the region's mayors, governors and families and need adequate funding to ensure the simple solutions identified in the GLRC strategic plan can be immediately carried out.

FY 08 Recommendation:

U.S. Environmental Protection Agency

Great Lakes Legacy Act-\$54.0 million

An increase of \$24 million over the FY 06 level of \$30 million

Great Lakes National Program Office-\$25 million

An increase of \$3 million over the FY 06 level of \$22 million

U.S. Department of the Army, Army Corps of Engineers

Great Lakes Fishery and Ecosystem Restoration-\$4.5 million

An increase of \$4.125 million over the FY 06 level of \$375,000

Chicago Ship and Sanitary Canal dispersal barrier-\$9.025 million

An increase of \$9.025 million over the FY 06 level of \$0

U.S. Department of Commerce, National Oceanic and Atmospheric Administration

Great Lakes Environmental Research Laboratory-\$15.0 million

An increase of \$6.3 million over the FY 06 level of \$8.7 million

U.S. Department of the Interior, Fish and Wildlife Service

Great Lakes Fish and Wildlife Restoration Act-\$16 million

An increase of \$14.2 million over the FY 06 level of \$1.8 million

U.S. Department of the Interior, U.S. Geological Survey

Great Lakes Science Center-\$12.0 million

An increase of \$2.6 million over the FY 06 level of \$9.4 million

U.S. Department of State

Great Lakes Fishery Commission-\$20.2 million

An increase of \$5.3 million over the FY 06 level of \$14.9 million

Cross-Cutting Restoration Programs Hydropower Relicensing

The Federal Energy Regulatory Commission (FERC) issues 30-50 year operating licenses for non-federal hydroelectric dams, setting the rules for how these dams may be operated. When issuing these licenses, FERC is required by law to look beyond power production and give equal consideration to fish and wildlife, recreation, environmental protection, and other public values. When these licenses expire, Americans get a once-in-a-lifetime opportunity to protect and improve the health of the rivers that flow through their communities.

Federal resource agencies play a very important role in FERC's hydropower licensing process. Congress has given these agencies the authority to recommend license conditions that will minimize the harmful impacts that dam operations have on public resources. The Energy Policy Act of 2005 (EPAAct) gave these agencies significant new obligations associated with protecting public assets affected by hydropower dams. In particular, agencies must now hold costly "trial-type" administrative hearings for disputed license conditions. Federal resource agencies need funding sufficient to allow them to uphold their congressionally authorized duties to protect public resources with license conditions when appropriate and hold hearings mandated by EPAAct when the factual basis of the conditions are being reviewed.

FY 08 Recommendation:

Federal Energy Regulatory Commission, Energy Projects-\$57.5 million

National Oceanic and Atmospheric Administration-

National Marine Fisheries Service, Habitat Conservation:

\$12.4 million and a direct line item for hydropower relicensing

\$1.8 million for implementation of hydropower requirements under the EPAAct of 2005

Department of the Interior-

Fish and Wildlife Service, Habitat Conservation, Project Planning:

\$2.35 million for hydropower relicensing

\$1.5 million for implementation of hydropower requirements under the EPAAct of 2005

Bureau of Indian Affairs, FERC Activities, Trust Services-\$2 million for hydropower relicensing

Bureau of Land Management, Land Resources/Wildlife and Fisheries:

\$1.1 million for hydropower relicensing

\$300,000 for implementation of hydropower requirements under the EPAAct of 2005

National Park Service, Hydropower Recreation Assistance:

\$1.5 million for hydropower relicensing

\$150,000 for implementation of hydropower requirements under the EPAAct of 2005

Department of Agriculture-

U.S. Forest Service, Lands Budget:

\$11.6 million and a direct line item for hydropower relicensing

\$750,000 for implementation of hydropower requirements under the EPAAct of 2005

Cross-Cutting Restoration Programs

Long Island Sound Restoration

The Long Island Sound Restoration Act strives to protect and restore the environmentally and economically vital resources of the Sound. In 1985, the Sound was one of the first estuaries recognized under the National Estuary program because it provides feeding, breeding, nesting and nursery areas for a diversity of plant and animal life, and contributes an estimated \$5.5 billion per year to the regional economy from commercial fishing, sport fishing, and recreational activities. More than 8 million people live in the Long Island Sound watershed, and the resultant development has led to increasingly poor ecosystem health. Future funding will allow regional conservation groups to continue their implementation of programs aimed at restoring the health of the Sound through improvements in water quality, the control of invasive species, the restoration of and/or reclamation of natural areas, and the bolstering of native species populations. In 2006 Congress passed the Long Island Sound Stewardship Act which will build on the ongoing work of restoring the Sound.

FY 08 Recommendation:

Long Island Sound Restoration Act-\$40 million

An increase of \$38.2 million over the FY 06 enacted level of \$1.8 million

Long Island Sound Stewardship Act-\$25 Million

An increase of \$25 million over the FY 06 enacted level of \$0

Cross-Cutting Restoration Programs

Penobscot River Restoration Project

The Penobscot River Restoration Project is an unprecedented approach to river restoration that will reconfigure hydropower facilities and maintain energy production while opening up more than 500 miles of habitat to 10 native species of anadromous fish, improve water quality, boost wildlife and create new opportunities in communities along New England's second largest river. The two lowermost Penobscot dams, Veazie and Great Works, will be removed and a state-of-the-art fish bypass will be installed at Howland Dam. The restoration project will reestablish the river's historic connection to the ocean, and help feed fisheries and wildlife in the river and the Gulf of Maine. The project's reconfiguration of dams will have a wide range of benefits to fish and wildlife populations, water quality and communities along the river. The restoration of the Penobscot River is the best last chance for the dwindling Atlantic Salmon populations in the country.

FY 08 Recommendation:

Penobscot River Restoration Project-\$15 million for purchase of the dams and \$500,000 for removal

NOAA's National Marine Fisheries Service-\$8 million

An increase of \$7.5 million over the FY 06 enacted level of \$0.5

Department of the Interior-\$2 million

An increase of \$1 million over the FY 06 enacted level of \$1

Department of Agriculture-\$5 million

An increase of \$5 million over the FY 06 enacted level of \$0

U.S. Army Corps of Engineers-\$500,000

An increase of \$0.5 over the FY 06 enacted level of \$0

National Environmental Policy Act

For more than 30 years, the National Environmental Policy Act (NEPA) has been an essential tool for providing citizens with adequate information and giving them a say in federal actions that impact the environment, their family's health and their quality of life. Specifically, NEPA requires federal agencies to assess and disclose the potential environmental effects of their actions, to propose a range of reasonable alternatives to their actions and to include the public in their decision-making. NEPA is celebrated as a bedrock environmental law that enables decision-makers to make better decisions. While the statute does not require the selection of the most environmentally protective alternative, the 'look before you leap' requirements of NEPA have led to improved decisions for over 35 years.

Despite the importance of NEPA, resources within federal agencies to implement the requirements have been decreasing over the last decade. In some instances, the staffing levels are now less than half of what they were, notwithstanding an increase in the number of projects requiring NEPA analysis. The limited remaining NEPA resources are often reprogrammed to other work within the agencies. Complaints about project delays due to NEPA analysis can in part be attributed to this decrease in resources. There are over 100 agencies with NEPA responsibilities, most of which need additional resources just to return to funding levels of the early 1990's.

Given this decrease in resources throughout the executive branch, the need for additional NEPA resources is large. This Green Budget focuses on a few key agencies with urgent need. We urge Congress to direct all agencies to fully utilize resources already provided for NEPA analyses. The Council on Environmental Quality (CEQ) and EPA should undertake a study of resource needs at other agencies, and develop proposals for additional funding in future years.

Council on Environmental Quality

CEQ is directed to issue regulations and guidance to federal agencies on NEPA implementation. In addition, CEQ develops training for agency personnel and assists when there are disagreements between federal agencies on evaluating environmental impacts. Resources are needed to return CEQ to the staffing levels of 1990.

Environmental Protection Agency

Section 309 of the Clean Air Act requires that EPA review all Environmental Impact Statements (EIS). While EPA has in the past been able to meet this mandate, its capability has been severely limited over the last several years by staffing cuts. Of particular importance is the agency's ability to evaluate cumulative effects of projects and environmental justice impacts.

National Environmental Policy Act

Department of the Interior/Bureau of Land Management

Because of the increased emphasis on resource extraction during the last several years, the number of environmental assessments and environmental impact statements increased rapidly. However, no additional resources have been provided to address this need. The environmental damage that can be caused by increased mining and drilling must be evaluated before projects commence. In addition, over nine thousand grazing permits-half of all BLM grazing permits-have never had a proper environmental review. This backlog of environmental reviews for permit renewals has allowed harmful grazing practices to continue unabated. Increased funding for environmental review is essential in order to prevent further destruction and degradation of public resources.

FY 07 Recommendations:

Council on Environmental Quality

\$0.5 million for an additional 4 FTEs

Environmental Protection Agency

\$2.5 million for 25 FTEs; five in the Office of Federal Activities and 20 in the regional offices

Department of the Interior/Bureau of Land Management

\$1.5 million for 10 FTEs; two in Headquarters and 8 in Regional Offices

(NEPA resources are combined with resources for the programs that they affect so it is not possible to extrapolate baseline numbers.)

Borderlands Environment Protection

America's border with Mexico includes national parks, forests, monuments, wildlife refuges, wilderness areas and other environmentally sensitive areas. Nearly one-quarter of the 1,950 mile U.S.-Mexico border lies within public lands. This includes hundreds of miles within the National Park system alone, running through such national treasures as Big Bend National Park and Organ Pipe Cactus National Monument. A host of imperiled species depend upon borderland habitat for their continued existence. Just in Arizona, the Border Patrol estimates that 39 species protected or proposed to be protected under the Endangered Species Act are already being affected by its operations. Much of this country's most spectacular wildlife, including jaguars, wolves, and hundreds of bird species, depend upon protected public lands along the border for migration corridors between countries.

Illegal border crossings and enforcement activities along the border are placing a tremendous burden on federal land management agencies and causing long-term damage to natural and cultural resources. In addition, border natural and cultural resources lie directly in the path of large scale construction projects, including the border wall required by the recently-enacted Secure Fence Act. The law would require the U.S. Border Patrol to build a double-layer, reinforced wall along large sections of the southern border, stretching from just outside San Diego all the way to Brownsville, Texas, less than 30 miles from the Gulf of Mexico. The effects of large scale border wall construction on wildlife, clean water, clean air, and human health and safety could be serious and lasting.

The federal land management agencies are in dire need of resources to mitigate the effects of illegal immigration and law enforcement activities on public lands; moreover, a cross-cutting budget initiative that also includes the Departments of Homeland Security and Defense, both of which either manage land or have border enforcement responsibilities, could alleviate some of the pressure on federal land managers. The need is extensive, for example, half of the Buenos Aires National Wildlife Refuge's already meager \$1.5 million annual budget is siphoned away from other pressing needs to deal with border issues; however, the entire amount needed by the land management and other agencies to address the impacts has not been quantified. Substantial increases are needed for:

- Resource Protection, including funding for removal of tons of trash and hundreds of abandoned vehicles; cleaning and protecting fouled desert water sources; physically closing hundreds of miles of illegal roads; use of surveillance and deterrence technology; firefighting and fire fighter safety dealing with wildfires inadvertently set from cooking and signal fires used by border crossers; and protection and restoration of important historic, cultural, and anthropological structures and artifacts.
- Staff and infrastructure improvements, including funding to increase land management agency law enforcement staff; provide training of Border Patrol and other non-land management agency law enforcement personnel to minimize harm to sensitive natural and cultural resources; maintain, repair, and acquire facilities and vehicles; and improve visitor outreach and safety.
- Research, restoration, and monitoring programs, including funding for monitoring and understanding impacts on endangered species and habitat; restoration of fragile desert habitat; and special endangered species management needs in the border region.

Offsets

Army Corps of Engineers

Beach Replacement

Beach projects are the only projects that the Army Corps of Engineers builds knowing that they will fail because large storms and the ocean will eventually move the redeposited sand down or offshore. Far from "renourishing" or "replenishing" beaches, this sand pumping actually works counter to natural beach functions that are critical for plants, wildlife, and storm protection. Beach renourishment promotes further development on fragile, high-risk barrier islands, increasing both federal emergency payments for flood damages and impacts upon coastal wildlife. A Duke University analysis estimated \$3 billion was spent in the 20th century to pump more than 650 million cubic yards of sand on to America's beaches, enough to fill up a 3 x 3-foot sand box from Miami Beach to the moon and halfway back.

FY 08 Recommendation:

Increase the local cost-share for periodic beach renourishment from 35 to 65 percent, which would save taxpayers more than \$3 billion over coming decades.

Flood Control

The U.S. Army Corps of Engineers spends upwards of \$1 billion annually on flood-control construction and repair projects. Rather than reducing flood losses, however, the projects have increased the potential for even more severe flood damage. Many of the projects encourage high-risk development in flood-prone areas, reduce incentives for strong state and local floodplain management, and eliminate the natural and beneficial functions of floodplains.

FY 08 Recommendation:

Reduce funding for the Corps' flood control construction budget by \$250 million annually. Reduce standard federal cost-share for flood control projects from the present 75 percent level for already authorized projects and 65 percent level for future projects to 50 percent (or less). The hurricane- and flood-related devastation in the Gulf Coast presents a unique situation that will need to be addressed separately.

Offsets

Army Corps of Engineers

Inland Waterways User Fee

The 11,000-mile federal inland waterway system is by far the nation's most heavily subsidized commercial freight transportation mode, according to the Congressional Budget Office (CBO). According to CBO, in 2002, the federal government spent about \$800 million on the nation's system of inland waterways. About 40 percent of that spending was devoted to construction of new navigation channels, locks, and other infrastructure, and about 60 percent was used for the operation and maintenance (O&M) of existing infrastructure. A December 2002 National Academy of Sciences report placed the barge industry's contribution far behind those of other forms of transportation, with the federal government recovering less than eight percent of overall infrastructure costs while contributing nothing to the \$600 million maintenance costs in 2001.

In addition to the cost, the operation and maintenance of these waterways involves dredging and dumping 50 million tons of river bottom annually, destroying wetlands and aquatic habitat. This Army Corps of Engineers (Corps) program primarily benefits large barge companies and shippers, yet they pay less than eight percent of the cost, at the expense of the nation's taxpayers and the environment.

FY 08 Recommendation:

Reduce federal general fund expenditures for inland waterways by 50 percent and require waterway users to pay a portion of operation and maintenance costs for the inland waterway system. Congress should authorize funds from the Inland Waterways Trust Fund to be made available on a matching basis to pay for O&M as well as new construction and rehabilitation. This would create a savings of \$240 million.

Harbor Maintenance Fee

The federal government shares with states the burden of the cost of dredging and maintaining harbors around the country. Under current law, the federal share of the cost of deepening harbors ranges from 80 percent for shallow harbors to 40 percent for "deep-draft" harbors (those deeper than 45 feet). The federal government levied a maintenance tax on imported and exported goods, until the tax was struck down by the U.S. Supreme Court in 1998. According to the Congressional Budget Office, the federal government spends approximately \$625 million annually to operate and maintain the harbors.

FY 08 Recommendation:

Implement a "Harbor Services User Fee" that will link harbor maintenance costs to vessel "draft," the amount of water volume a ship displaces. Tying maintenance costs to vessel volume will ensure that the market encourages development in places where it is economically and environmentally justified. A similar proposal created by the Congressional Budget Office would raise \$87 million the first year.

Offsets

Army Corps of Engineers

Specific Wasteful and Harmful Projects

The Army Corps of Engineers' civil works programs include construction and maintenance of locks and navigable waterways, the protection of coastal areas and beaches, harbor dredging, and flood control construction projects. The agency is a key lever for members of Congress to pull pork-barrel funding back to their districts, and as a result, the Corps currently has a \$60 billion (30 to 40-year) construction backlog of authorized projects waiting for congressional funding. In recent years, the Bush administration has proposed significantly reducing the amount of funding for Army Corps of Engineer construction projects, but has been rebuffed by Congress.

FY 08 Recommendation:

We recommend eliminating funding for the following economically and environmentally harmful and damaging Army Corps of Engineer projects. Cutting these projects would save more than \$90 million next fiscal year and nearly \$10 billion over the lifetime of the projects.

Apalachicola River Navigation (GA, FL, AL)
Arkansas River Deepening (McClellan-Kerr) (AR,OK)
Big Sunflower Dredging (MS)
Chesapeake and Delaware Canal Deepening (MD)
Clear Creek Flood Control (TX)
Columbia River Channel Deepening (OR, WA) DIF N
Dallas Floodway Extension (TX)
Environmental Infrastructure
Great Lakes Navigation System Study
Industrial Canal Widening (Inner Harbor Canal Lock) (LA)
Lock & Dam #3 Embankment (MN, WI)
Locks and Dams at Minneapolis (MN)
Lower Snake River Navigation (WA, ID, OR)
Missouri River Master Water Control Manual (NE, et al)
Missouri River Navigation (Rulo to mouth) (IA, NE, KS, MO)
Missouri River Navigation (Sioux City to Rulo) (IA & NE)
Ohio River Navigation System Expansion (KY, IL, IN, OH, PA, WV)
Savannah Harbor Expansion (GA, SC)
St. Francis Basin (AR, MO) (MRT)
St. John's Bayou and New Madrid Floodway (MO)
The Delaware River Deepening Project (NJ, DE, PA)
The Grand Prairie Irrigation Project (AR)
Upper Mississippi Comprehensive Plan (IL)
Upper Mississippi River-Illinois Nav. Study
White River Navigation (AR)
Wichita River Basin Chloride (Red River) (TX, OK)
Yazoo Pumps (MS)

Offsets

Department of Agriculture

Commercial Timber Sales

The U.S. Forest Service's (USFS) "commodity" timber sales program funds subsidized logging on our National Forests. Many of these sales result in irreparable ecological damage, loss of vital habitat, increased fire risk, and millions of dollars in squandered taxpayer resources. According to Government Accountability Office (GAO) and Congressional Budget Office reports, the USFS loses between \$150 and \$300 million annually on the commodity timber program. Eliminating unnecessary and harmful logging projects would present significant environmental and community benefits.

FY 08 Recommendation:

Reduce the commodity timber sale programs in National Forests by \$150 million

U.S. Forest Service Timber Roads Program

U.S. Forest Service's timber program pays to construct logging roads that assist timber companies in cutting and removing timber from our national forests. Over the history of the program, the agency has paid for the construction of hundreds of thousands of miles of timber roads. Construction of these forest roads exploits tax dollars to pay the timber industry's business costs and leads to the degradation of wildlife habitat, soil, and streams.

FY 08 Recommendation:

Cut all funding for construction, planning and design of new logging roads

U.S. Forest Service Salvage Fund

The USFS Salvage Fund was created to expedite the removal of insect-infested, dead, damaged or down timber. Salvage sale revenues are deposited in the Salvage Fund. The USFS can spend the monies in the Salvage Fund without an annual appropriations request. Lacking this congressional oversight, the Salvage Fund is currently financing approximately one-third of the logging in the National Forests, with many sales failing to fully cover their costs.

FY 08 Recommendation:

Abolish the U.S. Forest Service Salvage Fund and return the unspent balance to the U.S. Treasury. The current amount programmed for the fund in FY 06 is approximately \$78 million.

Offsets

Department of Agriculture

Farm Bill Subsidies

The federal government spends billions of dollars each year on agricultural programs that were established during the Great Depression. These programs were originally intended to support domestic crop production by stabilizing farm income, propping up agricultural prices at levels above world market rates, and controlling the production of designated crops. Over time, however, the original goals of these programs have been distorted. Now, instead of supporting the livelihood of the small family farmer, these programs benefit large corporate farms, and place massive and unnecessary costs on the American taxpayer.

In 2005, the federal government spent approximately \$24 billion to subsidize the production of 15 agricultural crops. These crops include cotton, sugar, corn, wheat, and soy beans. Many of these crops such as cotton, sugar, and corn have significant environmental impacts when produced. For instance, sugar production in Florida is partially responsible for the decay of the Everglades. The monocropping of corn in the Midwest, with intense pesticide and fertilizer inputs, is contributing to dead zones in the Gulf of Mexico. These crops and the other beneficiaries of farm subsidies are also being overproduced throughout the United States.

FY 08 Recommendation

Eliminate farm bill commodity programs, saving between \$10-25 billion

Offsets

Department of Energy

Nuclear Energy Research and Development

The federal government has historically spent astronomically on research and development of nuclear power and spent minimally on the development of renewable energy and more energy efficient products. Between 1948 and 1998, the federal government spent \$74 billion on nuclear power research. This pattern continues today with programs like the Department of Energy's *Generation IV* program, which provides funding for up to half the cost of the development of new reactor designs. This program has already received more than \$147 million since FY 01. The research and development costs for a single design are estimated to range from \$610 million to \$1 billion, depending on the type of reactor.

DOE's *Nuclear Power 2010* program promotes the building of new nuclear power plants by paying for half of the cost to apply for license applications. Through this program, which has received more than \$186 million since FY 01, the Early Site Permit applicants (Entergy, Exelon and Dominion) had combined profits of \$2.8 billion in 2005. The NuStart consortium, which has been granted for \$260 million, includes some of the wealthiest corporations in the world, including Bechtel, General Electric, and Duke Power, with more than \$27.1 billion in combined profit in 2005.

In February 2006, DOE announced a massive new program, called the Global Nuclear Energy Partnership (GNEP), to restart reprocessing of spent nuclear fuel in the United States. Reprocessing is expensive and polluting, and poses a serious risk to the global non-proliferation regime. Globally, over \$100 billion has been spent trying to commercialize plutonium, resulting in 250 metric tons of separated plutonium that remains vulnerable to theft-equivalent to more than 30,000 nuclear bombs. In FY 07, DOE requested funding for GNEP through the *Advanced Fuel Cycle Initiative*, which is tasked to develop reprocessing, plutonium fuel, and transmutation technologies. Since FY 01, this reprocessing research and development program, under various titles, has been authorized more than \$466 million.

FY 08 Recommendation:

Cut all funding for nuclear power research and development, saving approximately \$224 million
Cut \$65.3 million for Nuclear Power 2010
Cut \$54.5 million for Generation IV Nuclear Energy Systems
Cut \$25 million for the Nuclear Energy Hydrogen Initiative
Cut \$79.2 million for the Advanced Fuel Cycle Initiative

Offsets

Department of Energy

Civilian Radioactive Waste Management

Numerous missed deadlines, continuing mismanagement, and unresolved questions about the validity of scientific work at the site indicate that DOE is clearly wasting taxpayer and ratepayer money on its Yucca Mountain Project to license and construct a high-level waste repository at Yucca Mountain, in Nevada. Massive delays have succeeded massive delays in this project for every reason from unacceptable worker radiation exposure to quality assurance and design control problems.

FY 08 Recommendation:

Congress should cut funding for the DOE high-level waste program and convene an independent investigation into the implications of data falsification on DOE's Yucca Mountain license application, and the waste of ratepayer and taxpayer money throughout the history of the program.

Oil Technology Research and Development Program

The oil and gas industry received an estimated \$65 million in fiscal year 2006 through the U.S. Department of Energy's (DOE) Oil Technology Research and Development program.⁶ The program focuses on the exploration and production of crude oil in the United States with the goals including the promotion and enhancement of oil drilling in the Alaskan Arctic and the Powder River Basin in Wyoming. ExxonMobil alone spent \$600 million in research and development in 2004. Section 965 of the Energy Policy Act of 2005 contains additional authorizations for the program.

FY 08 Recommendation:

Eliminate funding for the Oil Technology Research and Development Program

⁶ DOE's Fossil Energy Budget, FY 06. http://www.fossil.energy.gov/aboutus/budget/06/FY_06_Budget_.html

Offsets

Department of Energy

Nuclear Weapons Infrastructure

Congress established the National Nuclear Security Administration (NNSA) in 1999 to consolidate and manage the nuclear weapons complex. One of the goals of the NNSA in this administration has been the resumption of pit production—the primary stage of the plutonium warhead. The justification for this reanimation of the nuclear weapons manufacturing complex was the concern that existing plutonium warheads would be unreliable because of deterioration or contamination. However, recent analyses show that these pits, and the nuclear arsenal in general, have much longer life times and show very little deterioration (JASON report transmitted to the Congress, November 28, 2006).

Each year, the Department of Energy budget for the NNSA exceeds \$6 billion, with a significant portion of these funds spent on new warhead research and production. Fortunately, the next step in production and manufacturing has not taken place, and there is an opportunity to scale back this work while ensuring America's defense security remains reliable for decades to come. Existing plutonium pits in surplus will provide the necessary "stockpile" to support U.S. security policies established in the Nuclear Posture Review.

Those operations that are specific to new nuclear warhead production should be halted. Congress should provide no funding for the reliable replacement warhead or pit manufacturing, as these operations are unnecessary and scale up nuclear warhead production. Indeed, the U.S. should be reducing its nuclear arsenal in order to comply with the goals of the Moscow Treaty, which requires the U.S. and the former Soviet Union to reduce their nuclear arsenals to less than 2,200 warheads by 2012.

We support continued stockpile maintenance, surveillance and readiness, but spending on other new research programs, including fusion ignition, high yield, and advanced simulation, also should be scaled back as the NNSA focuses on existing surplus management and certification. Reducing the NNSA budget will not endanger national security but will allow the Department of Energy to address other priorities, such as renewable energy research and development.

FY 08 Recommendations:

Making cuts to the following programs would save approximately \$1.4 billion

Specified NNSA budget reductions, FY 08 (all figures in millions)

	FY 08	FY 06 Actual	Savings
Stockpile Systems	280.0	308.7	28.7
Reliable Replacement Warhead	0.0	24.8	24.8
Dynamic Materials Properties	40.0	83.1	43.1
Enhanced Surveillance	40.0	99.2	59.2
Fusion Ignition & High Yield	250.0	543.6	293.6
Advanced Simulation	300.0	599.8	299.8
Pit Manufacturing	0.0	238.7	238.7
Readiness Campaign	50.0	216.6	166.6
Program Readiness	35.0	104.7	69.7
Construction	100.0	259.9	159.9

Offsets

Department of Energy

Clean Coal Technologies

Since 1984, the Department of Energy has invested more than \$2 billion in so called "clean coal" technology research and development. The program subsidizes private industry in its effort to develop cleaner burning coal technologies by providing matching federal funds for research and development. The so-called "clean coal" projects waste millions of taxpayer dollars each year on duplicative research that the coal industry should conduct with private sector funding or that has already been done. The Government Accountability Office has released at least seven reports documenting waste and mismanagement in the Clean Coal Technology program. The FY 06 Energy and Water Appropriations bill contained \$50 million for the President's Clean Coal Initiative and \$18 million for the FutureGen program. (Carbon capture and sequestration research for coal-burning power plants is separate and as noted above should be fully funded.)

FY 08 Recommendation:

Eliminate funding for the president's Clean Coal Initiative and FutureGen program saving \$68 million

Ultra-deepwater Drilling Research and Development Fund

This provision was added to the Energy Policy Act of 2005 conference report after the conference committee was gaveled closed. It creates a \$1.5 billion oil research and development program for ultra-deepwater drilling, \$500 million of which comes from oil royalties, to fund new drilling techniques for oil and gas companies over the next ten years.

FY 08 Recommendation:

Eliminate funding for the Ultra-deepwater Drilling Research and Development Fund, saving at least \$50 in FY 08

Offsets

Department of the Interior

Oil Royalty Relief-Companies drilling for oil and natural gas in publicly-owned waters and on publicly-owned lands typically pay royalties, or a percentage of the revenue they generate, to the government. These royalties provide needed resources to the Land and Water Conservation Fund, Historic Preservation Trust Fund, the oil-producing states and the federal treasury. Schemes that relieve oil companies of their obligation to pay these royalties will cost taxpayers at least \$9.5 billion over the next five years. Losses to taxpayers could balloon significantly higher if the oil industry wins a recent lawsuit.

Royalty Relief: 1995 Deep Water Royalty Relief Act

Between 1996 and 2000, the Interior Department awarded offshore drilling leases to companies drilling for oil and natural gas in the Gulf of Mexico. Leases awarded in 1998 and 1999 failed to include “price thresholds,” a critical safety valve that ensures royalty relief will end when prices rise above a certain amount. The Minerals Management Service, which manages royalties at the Interior Department, estimates that over the next five years oil and gas companies in drilling in the Gulf of Mexico will receive approximately \$9.5 billion in royalty relief.⁷ A draft report from the Government Accountability Office⁸ further estimated that taxpayers could lose out on an additional \$60 billion if the oil industry is successful in a recent lawsuit challenging the Interior Department’s authority to set price thresholds under the 1995 Deepwater Royalty Relief Act.

FY 08 Recommendation:

Amend the 1998 and 1999 Gulf of Mexico leases that do not contain “price thresholds.” This will save approximately \$9.5 billion over the next five years

⁷ based Gulf of Mexico royalty information provided on page 169 in the Mineral Management Services’ Fiscal Year 2007 Budget Justifications and Performance Information. <http://www.mms.gov/PDFs/2007Budget/FY07BudgetJustification.pdf>

⁸ Draft GAO Briefing, March 27, 2006, found on <http://www.nytimes.com/packages/pdf/business/29lease.pdf>

Offsets

Department of the Interior

Royalty Relief: Energy Policy Act of 2005

Despite massive losses to taxpayers expected as a result royalty relief included in past offshore drilling leases, Congress enacted additional royalty relief provisions in the recent energy bill. The following provisions will allow oil and gas companies to negotiate new leases with the federal government that allow them to drill without paying royalties. An estimate of the future benefits the oil industry will gain as a result of these provisions does not currently exist:

Royalty-in-Kind Payments-Section 342 of the Energy Policy Act of 2005 codifies the royalty-in-kind payment scheme sought by oil and gas producers in which the federal government is paid in oil and gas instead of cash.

Relief for marginal producers-Section 343 of the Energy Policy Act of 2005 provides royalty relief for “marginal property” oil and gas production that produce less than 15 barrels a day when prices fall below \$15 a barrel.

Relief for deep wells in shallow waters of the Outer Continental Shelf-Section 344 of the Energy Policy Act of 2005 provides royalty relief for natural gas production from deep wells (greater than 15,000 feet) in shallow waters (less than 400 meters) of the Outer Continental Shelf (OCS) in the Gulf of Mexico. The provision grants royalty relief for leases of no less than 35 billion cubic feet, subject to price thresholds.

Relief for deep water wells in the Gulf of Mexico-Section 345 of the Energy Policy Act of 2005 continues the federal government’s commitment to provide oil and gas companies royalty relief when they drill in waters in the Gulf of Mexico deeper than 400 meters.

Relief for offshore production in Alaska-Section 346 of the Energy Policy Act of 2005 expands the Outer Continental Lands Act to include offshore oil and gas development in Alaska. The expansion will allow Alaska drillers to receive royalty relief for oil and gas production.

Relief for methane gas hydrates in the Outer Continental Shelf and Alaska-Section 353 of the Energy Policy Act of 2005 provides oil and gas companies seeking energy from methane gas hydrates. Methane gas hydrates are essentially methane trapped in ice, and can be found in the outer continental shelf and in cold regions such as Alaska. The provisions provide royalty relief for up to 30 billion cubic feet of natural gas per a lease, and is offered in addition to current royalty relief on leases not receiving specific methane gas hydrate relief.

Relief for enhanced oil and natural gas production-Section 354 of the Energy Policy Act of 2005 offers royalty relief to oil and gas companies operating wells on-shore and the outer continental shelf to inject carbon dioxide into older less productive wells. The provision provides royalty relief for up to 5 million barrels of oil per a lease. The royalty relief in this provision is in addition to the enhanced oil recovery tax credit which provides companies with a 15 percent credit for the cost of enhanced oil recovery.

FY 08 Recommendation:

Repeal all oil royalty relief provisions authorized under the Energy Policy Act

Offsets

Department of the Interior

Hardrock Mining Reforms

Under the 1872 Mining Law, mining companies extract minerals from publicly owned lands without paying royalties to the federal government. This policy differs from federal policy toward the coal, oil and gas industries, all of which must pay royalties for extracting minerals from public lands. In 2003, mining corporations extracted \$818 million worth of minerals from public lands without any royalty payment to taxpayers. Adding insult to injury, the 134-year-old law also allows mining companies to patent, or buy, mineral-rich public land for \$5 an acre or less, paying 1872 prices for land worth billions of dollars. The archaic 1872 Mining Law not only distorts the minerals market, it promotes environmental destruction of public lands because it includes no provisions for environmental protection and elevates mining as the best use of the land, regardless of other potential uses. The law has allowed the mining industry to scar Western landscapes with nearly half a million abandoned mines, which could cost taxpayers as much as \$72 billion dollars to clean up.

In addition to the 1872 Mining Law, the hardrock industry is further subsidized by the U.S. tax code. After taking valuable minerals from public lands for free, a mining company is then allowed to compensate for the reduced value of a mine as it is exhausted. This tax break, called the percentage depletion allowance, was established in 1912 and allows the mining industry a deduction of anywhere from 5 to 22 percent, depending on the mineral.

FY 08 Recommendation:

- 1) Require fair market returns to taxpayers for extraction of publicly owned minerals. A royalty of 8 percent could raise \$65 million annually, based on 2003 mineral estimates.
- 2) Make permanent, and also double, the fee mining companies pay to maintain their unpatented claims on public lands, from \$125 to \$200 per claim annually, to better reflect the value of these claims. Moreover, the fee should be doubled again to \$400 if no mining occurs within five years of filing a mining claim. Without adjustment for any decline in claims associated with an increased fee, a doubled fee would return approximately \$50 million per year to taxpayers.
- 3) A sliding scale fee, similar to the Nevada state mineral excise tax, should be levied on all mining occurring on lands claimed or patented under the 1872 Mining Law. This fee would create an abandoned hardrock reclamation fund worth \$45 million per year.
- 4) Repeal the percentage depletion allowance for the hardrock mining industry. This would create a savings of \$300 million per year and \$1.6 billion over 5 years.

A total savings of \$460 million compared to FY 08 levels

Offsets

Department of the Interior

Public Lands Grazing:

The public land grazing program administered by the U.S. Forest Service (USFS) and the Bureau of Land Management is highly subsidized, benefits only 2 percent of the nation's livestock operators and in 2004. According to the Government Accountability Office, the grazing programs cost taxpayers roughly \$136 million to operate, but only earned \$21 million. Below-cost grazing fees encourage overgrazing and, along with other problematic features of the existing federal program, have resulted in extensive and severe environmental damage to public lands.

FY 08 Recommendation:

Charge a grazing fee on federal lands that covers management costs, and eliminate program expenditures that neither protect nor restore resources to create a savings of \$115 million compared to FY 08 levels.

Offsets

Environmental Protection Agency

Reinstate the Superfund Funding Mechanism (Taxes)

The Superfund Trust Fund, created in 1980 and supported by Presidents Reagan, Bush, and Clinton, was sustained by three "polluter pays" taxes and congressional appropriations. The Fund pays for the cleanup of the most toxic sites when those responsible can't-or won't-deal with them. After the taxes sunset in 1995, the fund dwindled until it went bankrupt in 2004. Taxpayers are now responsible for cleaning up the messes of irresponsible polluters. At its height, the fund collected approximately \$1.5 billion in taxes every year. If reauthorized, funding that is going to pay for cleanups could be redirected to other worthy programs, saving the federal government millions of dollars. Congress should reinstate the polluter-pays principle and shift the burden of cleanup to those who are responsible for the mess.

FY 08 Recommendation:

Reinstate the Superfund taxes creating additional revenue of at least \$1.5 billion in funding

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)

	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
U.S. ARMY CORPS OF ENGINEERS			
Project Modification for Improvement of the Environment	30	15	25
Aquatic Ecosystem Restoration	30	15	25
Estuary Restoration Act of 2000	1	27	6
Flood Hazard Mitigation and Riverine Restoration (Challenge 21)	0	0	2
Upper Mississippi Environmental Management Program	20	27	34
Lower Mississippi River Resource Assessment	0	0	2
Missouri River Fish and Wildlife Recovery Project	54	85	82
Lower Columbia River Ecosystem Restoration	2	2	3
Minnesota River Integrated Watershed Analysis	0	0	3
Matilija Dam Removal	1	0	1
Rindge Dam Removal	0	1	1
<i>Total, Selected Army Corps of Engineers Programs</i>	138	172	182
DEPARTMENT OF AGRICULTURE			
Natural Resource Conservation Service (NRCS) Farm Bill Conservation Programs			
Conservation Security Program	259	342	450
Wetlands Reserve Program	250	403	400
Environmental Quality Incentive Program	1,017	1,000	1,300
Wildlife Habitat Incentive Program	43	55	85
Farm and Ranchland Protection Program	74	50	97
Conservation Reserve Program	2,021	2,192	2,271
Ground and Surface Water Conservation Program	51	51	60
Agriculture Management Assistance Program	6	0	20
<i>Total, NRCS Farm Bill Programs</i>	3,711	4,093	4,683
U.S. Forest Service			
Forest Legacy Program	57	62	100
State and Local Fire Assistance**	283	170	288
<i>[State Fire Assistance]**</i>	<i>[78.7]</i>	<i>[56.1]</i>	<i>[144]</i>
Economic Action Program	10	0	40
Roads Maintenance Program	222	183	532
Recreation, Heritage & Wilderness Program (Wilderness and Wild & Scenic Rivers)	33	30	64
Office of International Programs	7	5	8
Wildlife and Fisheries Habitat Management Program	132	124	160
<i>Total, Selected Forest Service Programs</i>	742	573	1,191

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)

	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
DEPARTMENT OF ENERGY			
<u>Office of Electricity Delivery and Energy Reliability</u>			
Distributed Energy Program	60	30	60
<u>Bonneville Power Administration</u>			
Fish Passage Center	0	0	1
<u>Office of Energy Efficiency and Renewable Energy</u>			
Vehicle Technologies Program	182	166	200
Building Technologies Program	69	77	95
Industrial Technologies Program	57	46	60
Gateway Deployment Programs	26	0	28
Federal Energy Management Program	17	17	25
Appliance Standards	10	12	25
Weatherization Assistance Program	243	164	300
State Energy Program	36	49	50
Wind Energy Program	39	44	55
Solar Energy Technologies Program	86	148	148
Biomass and Biorefinery System R&D Program	92	120	100
Geothermal Technology Program	23	0	28
Hydropower Program	1	0	5
Hydrogen Technology Program	157	196	120
<i>Total, Selected Office of Energy Efficiency and Renewable Energy Programs</i>	1,038	1,039	1,238
<u>Office of Environmental Management</u>			
Environmental Management Program	6,590	5,828	7,300
DEPARTMENT OF HOMELAND SECURITY			
<u>Federal Emergency Management Agency (FEMA)</u>			
Flood Mitigation Assistance Program	31	31	35
Hazard Mitigation Grant Program	90	99	100
National Dam Safety Program	6	6	9
Repetitive Flood Claims & Severe Repetitive Loss Program	N/A	N/A	60
National Pre-Disaster Mitigation Fund	100	150	150
Flood Hazard Identification Map Modernization	199	199	200
<i>Total, Selected FEMA Programs</i>	426	485	554

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)			
	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
DEPARTMENT OF STATE			
<u>International Organizations and Programs (IO&P)</u>			
International Conservation Programs	6	N/A	8
DEPARTMENT OF THE INTERIOR			
<u>Bureau of Land Management</u>			
National Landscape Conservation System	59	53	69
Wildlife, Fisheries, and Threatened and Endangered Species Management	62	62	85
Challenge Cost Share	9	9	19
Plant Conservation***	5	5	16
<i>Total, Selected Bureau of Land Management Programs</i>	<i>135</i>	<i>130</i>	<i>189</i>
<u>Bureau of Reclamation</u>			
Savage Rapids Dam Removal and Pump Replacement	2	13	15
Yakima River Basin Enhancement Project	8	21	11
Deschutes Resources Conservancy	1	1	1
California-Federal Bay Delta Program	37	39	40
<i>Total, Selected Bureau of Reclamation Programs</i>	<i>48</i>	<i>73</i>	<i>67</i>
<u>U.S. Fish and Wildlife Service</u>			
Endangered Species Program	148	141	185
National Wildlife Refuge System	383	382	452
Migratory Bird Management	38	41	53
International Affairs	10	10	18
Law Enforcement	56	57	67
National Fish Passage Program	4	5	5
Fisheries Restoration and Irrigation Mitigation Act Program	3	0	4
Coastal Program	13	13	15
National Fish Habitat Initiative	1	3	3
State and Tribal Wildlife Grants Program	68	75	100
Cooperative Endangered Species Fund	80	80	96
Landowner Incentive Grants and Private Stewardship Grants	29	34	38
Partners for Fish and Wildlife Program	51	43	52
Multinational Species Conservation Fund	6	4	10
North American Wetland Conservation Fund	39	42	50
Neotropical Migratory Bird Conservation Fund	4	4	5
National Fish and Wildlife Foundation	8	8	10
<i>Total, Selected Fish and Wildlife Service Programs</i>	<i>940</i>	<i>941</i>	<i>1,162</i>

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)

	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
Land and Water Conservation Fund (LWCF)			
Federal Land Acquisition (Total, including Forest Service)	120	84	220
LWCF State Grants program	30	0	100
<i>Total, LWCF</i>	141	84	320
National Park Service (NPS)			
Operations of the National Park Service (ONPS)	1,718	1,742	1,918
Wild and Scenic Rivers	1	1	3
Rivers, Trails, and Conservation Assistance	8	7	10
Elwha River Restoration	5	20	15
Dam Safety Program	3	3	4
<i>Total, Selected NPS Programs</i>	1,735	1,772	1,949
U.S. Geological Survey (USGS)			
Water Resources Investigations	91	93	116
Biological Research Programs	178	173	180
<i>Total, Selected USGS Programs</i>	268	265	296
DEPARTMENT OF TRANSPORTATION			
Federal Railway Administration			
Amtrak/Passenger Rail	1,300	900	2,000
Next Generation High Speed Rail	19	0	25
Railroad Rehabilitation and Improvement	0	0	10
<i>Total, Selected Railway Programs</i>	1,319	900	2,035
Federal Transit Administration			
Flex Funding Allowance	1,000	N/A	2,000
New Starts	1,490	1,466	1,750
Intermodal Passenger Facilities	75	N/A	100
<i>Total, Selected Transit Programs</i>	2,565	1,466	3,850
National Highway Traffic Safety Administration			
Fuel Economy Program	2	N/A	10
DEPARTMENT OF TREASURY			
Global Environment Facility†	80	80	165
Tropical Forest Conservation Act	20	20	20
<i>Total, Selected Department of State Programs</i>	100	100	185

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)

	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
ENVIRONMENTAL PROTECTION AGENCY (EPA)			
Energy Star	50	46	52
WaterSense	0	0	3
Brownfields	163	163	168
Superfund	1,420	1,259	1,510
Leaking Underground Storage Tanks	72	73	83
Enforcement	357	491	506
Clean Water State Revolving Fund	887	688	1,105
Drinking Water State Revolving Fund	838	841	866
Public Water System Supervision Grants to States	100	99	140
Drinking Water Program	97	102	116
Non-Point Source Management Program, Clean Water Act Section 319	204	194	225
Environmental Justice	6	5	6
Total Maximum Daily Loads	216	222	233
BEACH Act Grant Program	10	10	20
National Estuary Program	24	18	25
Mercury Monitoring Network	0	0	10
Targeted Watershed Grants	17		20
<i>Total, Selected EPA Programs</i>	4,460	4,210	5,089
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)			
Overall NOAA Funding Level	3,850	3,684	4,500
National Marine Fisheries Service (NMFS)			
Expand Annual Stock Assessments	24	32	30
Fishery Observer Program	23	27	56
Enforcement	50	54	57
Bycatch Reduction Initiative	3	3	5
Marine Mammal Protection	40	23	82
Sea Turtle Conservation	18	10	26
Community-Based Restoration Program	13	13	18
Open Rivers Initiative	0	6	10
Antarctic Research - Antarctic Marine Living Resources Program ^{††}	3	3	6
Pacific Coastal Salmon Recovery Fund	67	67	120
<i>Total, Selected NMFS Programs</i>	241	237	410

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)

	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
National Ocean Service			
National Marine Sanctuary Program	35	35	60
Marine Protected Areas Center	1	2	3
Tropical Coral Conservation	25	26	26
Coastal and Estuarine Land Conservation Program	39	0	70
Deep-Water Coral Conservation	0	N/A	15
<i>Total, Selected National Ocean Service Programs</i>	100	63	174
Office of Research			
National Undersea Research Program	4	9	12
Ocean Acidification Research ^{†††}	N/A	N/A	10
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT			
Biodiversity Conservation Programs	166	166	186
CROSS-CUTTING ECOSYSTEM RESTORATION PROJECTS			
Chesapeake Bay			
Environmental Protection Agency	24	26	35
Department of Agriculture (NRCS)	6	5	6
U.S. Army Corps of Engineers	4	2	20
Department of Commerce (NOAA)	8	8	15
<i>Total, Selected Chesapeake Bay Programs</i>	42	41	76
Coastal Louisiana Restoration			
	7	25	1,000
Everglades Ecosystem Restoration			
U.S. Army Corps of Engineers	134	164	249
Department of the Interior (FWS, NPS)	34	26	42
Department of Commerce (NOAA)	0	N/A	6
<i>Total, Selected Everglades Programs</i>	168	190	298
Great Lakes Ecosystem Restoration Projects			
Environmental Protection Agency	52	70	79
U.S. Army Corps of Engineers	0	0	14
Department of Commerce (NOAA)	9	9	15
Department of the Interior (FWS)	2	1	16
Department of the Interior (USGS)	9	N/A	12
Department of State	15	12	20
<i>Total, Selected Great Lakes Programs</i>	87	93	156

Appendix A

FUNDING SUMMARY TABLE

(dollars in millions)

	2006 Enacted	2007 Pres. Bud.*	2008 Recomm.
Hydropower Relicensing			
Federal Energy Regulatory Commission, Energy Projects	N/A	N/A	58
Department of Commerce (NOAA/NMFS)	N/A	N/A	14
Department of the Interior (FWS, BIA, BLM, NPS)	N/A	N/A	7
Department of Agriculture (USFS)	N/A	N/A	12
<i>Total, Selected Hydropower Relicensing Programs</i>	N/A	N/A	91
Long Island Sound Restoration			
Long Island Sound Restoration Act	2	0	40
Long Island Sound Stewardship Act	0	N/A	25
<i>Total, Selected Long Island Sound Programs</i>	2	0	65
Penobscot River Restoration			
Department of Commerce (NOAA)	1	0	8
Department of the Interior	1	0	2
Department of Agriculture	0	0	5
U.S. Army Corps of Engineers	0	0	1
<i>Total, Selected Penobscot River Programs</i>	2	0	16
NATIONAL ENVIRONMENTAL POLICY ACT (additional resources needed for NEPA implementation)			
Council on Environmental Quality (CEQ)	N/A	N/A	1
Environmental Protection Agency	N/A	N/A	3
Department of the Interior - Bureau of Land Management	N/A	N/A	2
<i>Total, Selected NEPA Initiatives</i>	N/A	N/A	5

* FY 2007 levels have not yet been enacted

[†] Funding for the State and Local Fire Assistance section was calculated differently in the FY2007 Green Budget. In the FY2007 document, the recommended amount was based on the end goal of a process intended to be stepped up incrementally over a three-year period. In the FY2008 document, the recommended amount is the first incremental increase in that three-year period. Also, in FY2007 the State and Local Fire Assistance section included Forest Legacy and the Economic Action Program. Because those programs have their own sections, they are not included in State and Local Fire Assistance in the FY2008 Green Budget. See p. X for further explanation.

^{***} FY 2006 enacted (\$4.6 million), FY 2007 Green Budget (\$9 million), and FY 2007 President's Budget (\$4.6 million) funded the Native Plant Material Development program within the Burned Area Rehabilitation account. The FY 2008 Recommendation would move this funding and increase it to \$15.8 million to create a new "Plant Conservation" activity or subactivity within BLM Management of Land and Resources.

^{††} FY 06 Enacted and FY 2008 Recommendation both include \$80 million for current authority. 2008 Recommendation includes an increase of \$85 million in arrears.

^{†††} In FY 2006 Enacted and FY 2007 President's Budget, Antarctic Research receives funding from the Antarctic Research line item and from within the NMFS Fisheries Research and Management Subactivity. FY 2008 Recommendation would increase funding and move all funding to the "Antarctic Research" line for clarity.

^{††††} The Ocean Acidification Research program is a new initiative for 2008, authorized by the Magnuson-Stevens reauthorization passed at the end of the 109th Congress.

Appendix B

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Appendix B

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Appendix B

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National Environmental Trust
National Parks Conservation Association
National Wildlife Federation
Oceana
The Ocean Conservancy
Physicians for Social Responsibility
Public Citizen
Union of Concerned Scientists
U.S. Public Interest Research Group
The Wilderness Society
World Wildlife Fund**

FY 2008