

U.S. Senate Committee on Energy & Natural Resources

Hearing on the Land and Water Conservation Fund

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Madam Chairwoman Murkowski, Senator Cantwell, and All Members of the Committee;

Thank you for inviting me to testify at this hearing on the Land and Water Conservation Fund (LWCF), its legacy, and its future. I have had the opportunity to meet with many of you during my nearly eight-year tenure at the Department of the Interior in the G.W. Bush Administration, including nearly three years as Deputy Secretary and Chief Operating Officer of the Department.

During my tenure at the Interior Department, I became familiar with LWCF and the broader and complex context within which LWCF plays a part. I now serve as the global Managing Director of Public Policy at The Nature Conservancy, an organization with over 60 years of pioneering private conservation in coordination and cooperation with federal, state, local, and tribal governments and thousands of private landowners across the nation.

Madame Chairwoman, Senator Cantwell, and others on this committee, I appreciate your leadership in striving to address the conservation and resource management needs of this nation. The challenges are many. They include fiscal constraints, the evolving requirements of reducing risks of catastrophic wildland fires, the importance of ensuring secure and clean water supplies for all of America's communities, the need to power our homes and businesses, the bedrock importance of enhancing economic opportunity, and the imperatives of sustaining healthy lands and wildlife and outdoor recreation opportunities for each and every American.

The Land and Water Conservation Fund, over these past 50 years, has helped address many of these challenges—and, through its reauthorization, I believe it will continue to help this nation sustain healthy lands and waters and the associated outdoor recreation access such areas provide; help support thriving communities, and contribute to dynamic economies.

I will: 1) highlight three significant benefits of the LWCF and their importance to this nation's continued well-being; and 2) briefly address several "design issues" as this Committee and the Congress consider

reauthorization of the Act. But, first, let me turn briefly to a summary of the Act and some of its contributions.

LWCF Legacy in Brief

Since 1965, the LWCF has invested over \$16 billion in land and water conservation and outdoor recreation across every state and several territories. Ninety-eight percent of all counties in the United States have received some direct investments from LWCF funding. Over 42,000 grants of \$4 billion have supported protection of 3 million acres of recreation lands and over 29,000 recreation facility projects in states, matched by local monies and driven by local priorities. And, at the federal level, national parks, refuges, and forests have been created or enhanced through LWCF funding. These national lands protect our history; they ensure outdoor recreation opportunities that tally up some 407 million visits each year; they secure opportunities for fishing, hunting, and countless other outdoor activities.

The program has evolved in modest ways to include such programs as the Forest Legacy Program and the Cooperative Endangered Species (ESA Section 6) program; the Highlands Conservation Act, and an American Battlefield Protection Program. But the Act has remained constant in its basic mission, as set forth by the Congress 50 years ago. That mission is:

[T]o assist in preserving, developing, and assuring accessibility to all citizens of the United States of America of present and future generations . . . such quality and quantity of outdoor recreation resources as may be available and are necessary and desirable . . . to strengthen the health and vitality of the citizens of the United States by (1) providing funds for and authorizing Federal assistance to the States in planning, acquisition, and development of needed land and water areas and facilities and (2) providing funds for the Federal acquisition and development of certain lands and other areas.

As significant as the purposes of the Act is its source of funding. LWCF investments derive not from taxpayer dollars but from a small portion (\$900 million) of offshore oil and gas revenues that now typically range from \$6 billion to over \$18 billion per year. This funding source is significant, because it reflects congressional understanding, at the time the Act was passed, that even as the nation benefits from development of some federal energy resources, so, too, does the nation benefit from protecting and conserving lands, waters and wildlife for present and future generations.

The mission and corresponding investment of LWCF funds have sustained widespread, bipartisan support of the 50-year history of the program. A 2013 survey shows 85 percent of voters supporting continued investment of funds from offshore oil and gas revenues in the LWCF program.

LWCF—Looking Ahead

All public programs warrant periodic review and assessment of their continued relevance to addressing national issues and challenges. Three issues point to why LWCF is as relevant—indeed, perhaps, more relevant—today as it was 50 years ago. First is the role public lands play in enhancing economic well-being. Second is the role LWCF, specifically, plays in improving the capacity of public land managers to manage these lands efficiently and effectively. Third is the role LWCF plays in supporting conservation

investments with immense benefits for people and wildlife. These conservation investments not only sustain opportunities for outdoor recreation and protect historic sites; they also help maintain the very natural systems—watersheds that store water and keep it clean, coastal systems that reduce impacts from storms, vegetation that supports pollinators—upon which all life depends.

Economic Benefits

Federal agencies, the outdoor recreation community, and academic analysts have all documented the direct economic benefits of federal (and state) public lands. The Outdoor Industry Foundation estimates that outdoor recreation generates some \$730 billion each year to the U.S. economy. The National Parks Conservation Association estimates that some \$13 billion flows annually to towns that are gateways to national parks.

These economic benefits are important. But they miss what is perhaps most significant: increasingly, as this nation has become what economist Ray Rasker refers to as a “knowledge-based economy” of finance, marketing, design, management, and so on, “companies,” he writes, “seeking to attract employees place a premium on locating in places with amenities...” Rasker continues, noting that the “bulk of the economic value of public lands lies in its ability to attract people—and their businesses—who want to live near protected lands for quality of life reasons.” (Rasker, 2009, “Economic Benefits of the LWCF”). Rasker’s research, and that of numerous other economists, suggests that there is actually “little evidence of an economic downside from public lands”. Instead, the evidence points toward such public lands as assets that attract investment and skilled workers to communities.

Such conclusions are not simply academic abstractions. A poll of one county in Utah with significant state and federal public lands shows nearly two-thirds of businesses viewing public lands as extremely important to their businesses. Similar results emerge in other communities. Or, consider results of a 2002 National Association of Homebuilders survey on that found that “trails are a top amenity (behind highway access) sought out by potential homeowners.”

But let me offer a few examples. In 2008, the Bair Ranch Foundation contacted the U.S. Fish and Wildlife Service to present the idea of a public purchase of their property. In a model partnership that included the Bair Foundation, the Rocky Mountain Elk Foundation, and others, an eight thousand-acre land acquisition was orchestrated. The lands provide high quality water for a world class fishery; habitat for species of concern; and recreational opportunities for hunting, fishing, hiking, and snowmobiling. The lands contribute to the Meager County, Montana economy; ensure public access to lands; maintain traditional uses; and provide opportunities for coordinated management among different agencies and partners. LWCF was a key source of support for this effort.

Or consider Willapa Bay and Ellsworth Creek, in southwest Washington. Since 2000, The Nature Conservancy has engaged in a joint management plan with a national wildlife refuge. The Conservancy owns 7,500 acres adjacent to a 7,500 acre refuge of which over one-quarter was acquired using LWCF monies. Revenues from forest thinning on the lands go back into stewardship and management of the lands, supporting local jobs and contractors; protected areas help ensure clean water that supports a \$30 million per year oyster industry in Willapa Bay.

Efficiency Gains

This nation benefits from many national parks, wildlife refuges, national forests, and multiple use public lands managed by the Bureau of Land Management. In addition, states and local governments manage public parks and other lands. Looking at the future of LWCF, some have suggested that, perhaps, the task set forth 50 years ago is completed—that the nation needs no new public lands or other LWCF investments. In particular, concerns about future land investments arise in the context of significant maintenance backlogs—both on federal lands and state lands. I appreciate these concerns. During the GW Bush Administration, we targeted the maintenance backlogs—in parks and other public lands—and put in place cyclic maintenance programs, as well as investing in systems to actually document the backlogs, better understand their causes, and invest in diminishing that backlog. I spent hundreds of hours of my time on this issue.

But the remedy to these backlogs does not reside in shifting offshore oil and gas funds to that purpose rather than to a continuation of LWCF for two fundamental reasons: 1) in many cases, LWCF investments actually contribute to management efficiencies; and 2) the fundamental premise of the original act remains sound—that as the nation extracts resources from the public domain, we should, in turn, invest in conserving resources for our children and their children thereafter.

Most lands acquired with LWCF funds are within the existing boundaries of federal parks, refuges, forests, and other recreation areas, and much of the rest is used for conservation easements and state grants that do not add to federal management costs. Many such inholdings still remain. Within national parks, for example, there remain some 2.6 million acres of inholdings. I want to underscore that not all of these inholdings merit consideration for acquisition. But in some cases, existing owners would like to sell their lands into public ownership—and such sales can significantly improve management efficiencies.

A few examples best illustrate how continued acquisitions of this sort can improve management efficiency—and provide enhanced economic benefits.

The Nature Conservancy worked on what are referred to as Plum Creek Timber acquisitions that include three projects involving over 500,000 acres. The transactions address long-standing checkerboard land structures and associated management challenges of operating in that context. In addition, there are cost savings for avoided fire suppression on land that, if developed, would have dramatically increased fire management costs.

In a very different example, at Mount Rainier National Park, LWCF funding allowed for purchase of lands enabling a campground to be relocated out of an expensive and flood-prone area in which flood maintenance costs for a single year were \$750,000. The purchase also enabled conversion of a historic house into a new visitor center.

In the eastern United States, at Rocky Fork, Tennessee, multiple partners worked together, using LWCF funds, to leverage state, local, and private funding to protect world-class recreation opportunities through acquisition of an in-holding surrounded by National Forest Service lands. The acquisition helped

the Forest Service utilize prescribed burns that cost 93 percent less than suppression costs (based on a recent fire event). And there are other avoided costs: anticipated development of the property would have caused watershed damage and associated significant costs.

Thriving Communities

When the Congress passed the LWCF legislation 50 years ago, many champions focused on the significance of outdoor recreation as fundamental to human well-being and to the health of communities. That basic linkage endures—and many modern-day champions have persuasively described those benefits and the role LWCF has played in securing them. I want to reaffirm the importance of those benefits.

But I also want to draw the Committee's attention to the broader role that nature and natural systems play in sustaining thriving communities. I sometimes sum up those benefits by saying, "nature is not just nice; it is essential." I have already noted that watersheds help store water and sustain clean water supplies. Protecting and restoring natural coastal systems can reduce impacts to communities from coastal storms—often cost-effectively relative to other infrastructure. Increasingly, LWCF is helping states and local communities sustain these natural systems and the basic services they provide, while also providing the more commonly understood outdoor recreation and wildlife benefits.

Consider, for example, investments in Massachusetts in the Silvio O. Conte National Wildlife Refuge, a refuge contiguous with the area's watershed. Land acquisitions there contribute to the goals of the Massachusetts Water Resources Authority, which has avoided the need to build a \$250-\$300 million filtration plant because of success in implementing a water supply improvement program that includes, as a significant component, investment in protection of watershed lands. The refuge fulfills the fundamental goals of the LWCF by providing outdoor recreation opportunities and conserving habitat, but also contributes fundamentally to sustaining water quality for communities within the watershed.

In New Jersey, LWCF allocations through the Forest Legacy Program provide a tool to maintain the benefits of working forests that include protections of valuable watersheds and drinking water supplies. These funds have helped protect drinking water for more than 2 million residents of northern New Jersey, as well as residents of Little Rock, Arkansas; Worcester, Massachusetts; Whitefish, Montana, and many other locations. In the Cascades, LWCF-supported land acquisitions are contributing to water retention and storage, complementing the Yakima Basin Integrated Plan—a plan supported by the Yakima Indian Nation; county, federal, and state agencies; irrigation districts; conservation organizations; and private agribusinesses.

Designing the Future of LWCF

No brief testimony can do justice to 50 years of results that the LWCF has generated for the American public. These benefits are numerous, and we only now still learning of the role conservation plays in sustaining community economies, enhancing public health, and maintaining basic needs such as water quality. But as we look to reauthorizing LWCF, we need to ask some basic design questions. Are there

important principles drawn from past experience that might help guide that design? Let me suggest several:

- Program *flexibility* is important, as circumstances vary by location and over time. Approximately half of LWCF funding has gone to states and half to federal agencies over recent years, but actual allocations vary year-to-year, reflecting the different opportunities and needs that arise. Maintaining flexibility in the statute itself, while preserving annual Congressional authority to review and approve how funds are allocated, best aligns with the realities of annual variations in needs and opportunities.
- *Dedicated funding*, as originally envisioned 50 years ago, remains an important principle, as it helps local, state, and federal agencies, along with private landowners, better plan what are often complex and multi-stage transactions.
- Continued emphasis on *enhancing public access* to outdoor recreation opportunities through conservation easements and land acquisition is especially important as this nation urbanizes and fewer people have opportunities, in their own backyards, to connect with nature.

From the Alaskan tundra to rolling Midwestern grasslands to the Gulf of Mexico, the lands and waters of the United States capture our imaginations and inspire us. But these places are more than beautiful vistas and vacation destinations. They are critical resources that maintain livelihoods, communities and economies—their value includes, but goes far beyond, the outdoor recreation dollars they generate or the commodities they provide. Healthy forests, rivers and coasts benefit people by providing clean, abundant water supplies, storm surge protection, flood prevention, carbon sequestration and many other services. The Land and Water Conservation Fund is a central foundation for catalyzing and leveraging conservation investments that help provide these many benefits.

I appreciate the opportunity to testify today and look forward to working with the Committee as you consider reauthorization of the Land and Water Conservation Fund.