

**STATEMENT OF SUSAN COMBS, ASSISTANT SECRETARY
FOR POLICY, MANAGEMENT AND BUDGET
U.S. DEPARTMENT OF THE INTERIOR
BEFORE THE SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
CONCERNING THE LAND AND WATER CONSERVATION FUND**

June 25, 2019

Chairman Murkowski, Ranking Member Manchin and Members of the Committee, thank you for the opportunity to appear before you to discuss the Land and Water Conservation Fund (LWCF) and the Department of the Interior's programs.

Earlier this year, as part of the John D. Dingell, Jr. Conservation Management Act, Congress permanently reauthorized the LWCF, reaffirming the nation's bipartisan commitment to help preserve, develop, and assure accessibility to America's outdoor recreation resources. The Department supports this reauthorization, and the other bipartisan provisions of the Dingell Act, many of which the Department had advocated for in concept or worked on with Members of Congress. Secretary Bernhardt, through Secretarial Order 3374, has ensured that the Department will prioritize and timely implement the law's various provisions. This law demonstrates what we can achieve working together with Congress to strike the proper balance for land and resources management, increasing access for hunting, fishing, and recreation, and creating economic prosperity while protecting and preserving America's treasures.

The Department's LWCF Programs

The LWCF was established by Congress in 1964 to fulfill a bipartisan commitment to safeguard our natural areas, water resources and cultural heritage, and to provide recreation opportunities to all Americans. The LWCF invests earnings from offshore oil and gas revenues in the protection and the public's enjoyment of America's lands, waters and history. The LWCF program benefits and helps strengthen countless communities across the Nation by encouraging outdoor recreation and care for our natural areas.

The law established a dedicated LWCF fund in the Treasury for the LWCF programs and each year the fund receives \$900 million primarily from offshore oil and gas revenues. Distributions from the LWCF are subject to annual appropriations. The Department of the Interior manages two primary LWCF activities. The "state side" program provides matching grants to States which allocate funding to local, and tribal governments for the acquisition and development of public parks and other outdoor recreation sites. The LWCF state side grant program also receives funds under the Gulf of Mexico Energy Security Act (GOMESA) which are available without further appropriation. The "federal side" programs support federal land acquisitions in the nation's national parks, wildlife refuges, forests, and unique public lands for the enjoyment of generations of Americans.

State Side Program

The National Park Service (NPS) manages the LWCF state-side grants program. These funds provide both formula-based and competitively awarded matching grants to states to acquire and develop public outdoor recreation areas. These grants support locally sponsored outdoor recreation projects, as well as state-wide recreation planning, and larger state recreation efforts including the establishment of scenic rivers and recreational trail systems.

In FY 2019, funding for these grants comes from a combination of discretionary appropriations and mandatory appropriations authorized by GOMESA. GOMESA makes available 12.5% of revenues from certain offshore leasing in the Gulf of Mexico for LWCF State grants through FY 2056. This mandatory revenue funding is expected to increase steadily as offshore oil and gas activity in the area matures. In FY 2018, the LWCF State grants program received \$62.6 million in GOMESA funding and \$71.6 million in FY 2019. Based on current activity projections, the FY 2020 estimate for GOMESA revenue for the LWCF state-side grants is \$113.1 million.

The formula-based grant program allocates funding among the States, according to criteria in the LWCF Act which considers the states' population, the use of outdoor recreation resources by visitors from other states, and the other federal resources in the state. No state can receive more than 10 percent of the total grants awarded. Unlike the formula-based grants, the competitive grant program awards funding to urbanized areas who compete for project funding. Under both programs, states may use the funds to award grants to state agencies, local units of government, and federally recognized tribes.

The NPS and the Fish and Wildlife Service (FWS) also manage other land acquisition grant activities through several other programs. The American Battlefield Protection Program managed by NPS, awards funding for planning to groups or governments sponsoring preservation projects at historic battlefields. The program also awards funds to state and local governments for the acquisition of eligible battlefield lands. Highlands Conservation Act grants, managed by FWS, award grants to state agencies in the Highlands area (Connecticut, New Jersey, New York and Pennsylvania) to support state land acquisition programs and projects. The FWS also manages Cooperative Endangered Species Conservation Fund land acquisition grants to states and territories working with partners on projects to conserve the habitat of threatened and endangered species.

Federal Side Program

At the Department, the NPS, the FWS and the Bureau of Land Management (BLM) manage the Department's LWCF federal land acquisition programs. All three Bureaus manage federal land acquisition projects that serve each Bureau's mission. Congress appropriates funding for acquisition projects in specific areas as well as a small amount of unallocated funding for recreation access projects and time sensitive projects including emergencies, inholding opportunities, donations, or exchanges. The LWCF federal funding also supports associated land appraisal activities managed centrally through the Appraisal and Valuation Services Office within my purview as the Assistant Secretary for Policy, Management and Budget.

Although the statutory acquisition authorities vary by Bureau, all Interior Bureaus prioritize land acquisitions within existing federal land holdings. Each Bureau has developed criteria ranking and review processes to develop prioritized projects. The following criteria are common across the Department's federal land acquisition projects, although the relative emphasis varies depending on Bureau specific management needs and statutory requirements:

- Presents a time-sensitive or unique acquisition opportunity
- Involves a willing seller
- Continues or completes an on-going or multi-phased acquisition effort
- Secures regional/local support and priority for the project, including matching or leveraged funds
- Promotes recreational access
- Preserves threatened resources, environments and/or species
- Supports mission requirements and facilitates cost and administrative efficiencies
- Consistent with statutory acquisition authority

Interior's Commitment to Outdoor Recreation

The LWCF has been a successful legislative model over the last 50 years. Since its inception, over \$18 billion from offshore oil and gas development has been made available for conservation and outdoor recreation projects across the country. And Congress has been able to balance, through the appropriation process and subsequent legislation, the needs for conservation with the need for increased public access.

According to the U.S. Commerce Department, in 2016, America's outdoor economy accounted for \$412 billion of the U.S. GDP. The Department plays a major role in supporting America's outdoor economy through access to our public lands. Every year, hundreds of millions of visits are made to our national parks, national wildlife refuges, and BLM public lands to do everything from rock climbing, kayaking and camping to snorkeling, hunting, and fishing. Recreation visits to BLM and NPS lands alone support more than 350,000 jobs. Increasing recreational opportunities for more Americans through our public lands and waters also brings more economic opportunity for our neighboring gateway communities. Increased public access to America's lands is among our highest priorities.

However, as we testified last week before this Committee, the Department's lands are at a critical breaking point. The Department manages a constructed infrastructure asset portfolio with a replacement value of about \$300 billion, ranging from large dams and canals in the West to national landmarks like the Statue of Liberty and the Washington Monument. The Department oversees approximately 20 percent of all land in the United States and operates in more than 2,400 locations across the country. The Department's lands and facilities serve nearly 500 million visitors annually, provide schooling for approximately 47,000 Indian children, are crucial to the work of 70,000 Interior employees and 280,000 volunteers, and provide critical

access for the public to hunt, fish, and enjoy other outdoor activities. After years of increased visitation and use, aging facilities and other vital structures are in urgent need of restoration.

Reducing the Department's infrastructure deferred maintenance backlog along with modernization of the facilities has been a top priority under this Administration. The condition of the roads, trails, campgrounds, restrooms, and visitor facilities at our parks, refuges and public lands, directly impact the visitor experience. Just this month, Vice President Mike Pence accompanied Secretary Bernhardt to Yellowstone National Park and together they reviewed and discussed the importance of addressing this issue and reaffirmed the Administration's commitment to addressing our infrastructure needs. The Vice President and the Secretary also took the time to work directly with an NPS maintenance crew at the park to rebuild the boardwalk to Old Faithful.



Vice President Pence and Secretary Bernhardt at Yellowstone National Park

To address this issue, the Department's FY 2020 budget prioritizes stewardship and maintenance to continue to enhance the visitor experience at the lands and facilities we already own and manage and increases opportunities for recreation and reflection in existing areas. Our budget supports small recreation access acquisitions, and assumes LWCF State grants continue through mandatory funding provided from GOMESA oil and gas revenue.

Complementing this, to address the critical deferred maintenance needs, the Administration proposes additional dedicated mandatory funding through the Public Lands Infrastructure Fund. The Infrastructure Fund will be funded through the deposit of 50 percent of all Federal energy development revenue that would otherwise be credited or deposited as miscellaneous receipts to the Treasury over the 2020–2024 period, subject to an annual limit of \$1.3 billion. The Infrastructure Fund would draw from unallocated oil and gas revenue, similar to the LWCF, and also from unallocated onshore and renewable energy development. In a period of five years, the

Infrastructure Fund could provide up to \$6.5 billion, and would not only address the maintenance backlog, it would help to transform some of the nation's most iconic outdoor areas.

This important investment is needed to maintain the Department's outdoor recreation facilities for the public's enjoyment.

Concluding Remarks

In closing, I want to reiterate the Department's support for the LWCF. By extending this landmark legislation with the other elements of the Dingell Act, Congress has provided a tremendous opportunity to expand outdoor recreation opportunities for all Americans. Now it is time to turn our attention to address the very serious deferred maintenance problems and the negative impact they are having on the visitor experience and enjoyment of America's lands. It is very fitting this hearing is being held in June, which the President has declared as Great Outdoors Month. I am pleased to join you in this discussion today and answer any questions you may have.