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# United States Senate

WASHINGTON, DC 20510-1203

APPROPRIATIONS  
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April 8, 1999

Dr. Kerry Paul Reese  
2168 Henry Court  
Moscow, Idaho 83843

Dear Kerry Paul:

Thank you for contacting me regarding the proposals before Congress to reform the Land and Water Conservation Fund (LWCF). I appreciate your thoughtful comments.

As you may know, the LWCF was established in 1965 as a fund to acquire new federal and state recreation lands. LWCF provides a funding source to the four land managing agencies – the Park Service, Bureau of Land Management, Fish and Wildlife Service, and Forest Service – for acquisition of land. There is also a stateside matching grant program to assist states in acquiring and developing recreation sites and facilities; however, stateside of LWCF has not been funded since 1995, despite attempts by members of Congress to revive this program.

Since LWCF's inception, it has been amended frequently, but the basic purpose of the fund has not been altered. The most notable amendments were to increase the authorized level of the fund, which is now at \$900 million. LWCF was also amended to mandate that Outer Continental Shelf offshore oil and gas (OCS) leasing revenues should make up any shortfall from other authorized financing sources, which include outdoor recreation user fees, the federal motorboat fuel tax, and surplus property sales. Currently 90 to 99 percent of LWCF funding comes from OCS revenues.

The LWCF account is not a trust fund, as we know it, but rather a Treasury account which requires Congress to appropriate the money each year before it can be spent. LWCF appropriations rarely reach the authorized level. For fiscal year 1999, LWCF appropriations were about one third of the authorized level. Monies unappropriated to LWCF have, in reality, been used primarily for deficit reduction or for other spending priorities, such as increased spending for other environmental programs. Under budget laws enacted in 1990, 1993, and 1997 any increase in annual appropriation for one program requires a tradeoff with other programs.

There are currently several proposals before Congress that deal with LWCF reform. One such bill is The Conservation and Reinvestment Act of 1999, S.25. This bill would direct 50 percent of OCS revenues to coastal impact assistance, LWCF reform including reviving state side grants, and wildlife conservation and restoration. The Permanent Protection for American's Resources 2000 Act, S. 446, provides full funding of LWCF at \$900 million as well as \$850 million for various other programs, including land restoration and wildlife and endangered species habitat protection.

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846 MAIN STREET  
LEWISTON, ID 83501-1864

250 SOUTH 4TH AVENUE  
POCATELLO, ID 83201

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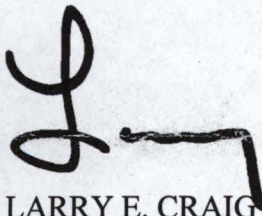
It is unclear what impact these bills will have on the budget. OCS revenues currently average around \$4 billion annually. However, OCS revenues are beginning to fall because production is stagnant, oil and gas prices have fallen by as much as 40 percent over the past fifteen months, and interest in leasing is declining. Since this source of federal revenue is the second largest source after the federal income tax, I am seeking an analysis of its impact on federal spending.

I have supported LWCF in the past and will continue to support the concept of the fund. I have concerns, however, about significant increases in funds for federal land acquisition. Since the inception of LWCF, 4.5 million acres have been acquired by the federal agencies, which is an area approximately the size of New Jersey. Before we create much more public land, we need to responsibly manage what we have and provide for the communities that are dependent on the public lands. Furthermore, I believe the bills in their current form need stronger private property rights protection.

These bills would revive stateside LWCF grants, which are a valuable tool for States and localities across the United States. I have supported efforts in the past to revive stateside LWCF. Even so, while I will continue to support efforts to revive this program, I must also take into consideration all other aspects of this legislation. I will closely monitor these bills through hearings in the Energy and Natural Resources Committee, of which I am a member, to see what improvements are being made to the legislation in the areas I have mentioned. You can be sure I will keep your comments in mind as I consider the various proposals.

Again, thank you for contacting me. If you have any additional questions or comments, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Craig', with a stylized flourish at the end.

LARRY E. CRAIG  
United States Senator

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