CONSERVATION WORKS
How Congress Can Lower the Deficit and Protect Wildlife & Public Health
NATIONAL WILDLIFE FEDERATION 2011

INSPIRING AMERICANS TO PROTECT WILDLIFE FOR OUR CHILDREN'S FUTURE.
Introduction

The federal government makes investments in our shared environment that all Americans benefit from every day. These investments account for only about 1 percent of the total federal budget but they deliver huge benefits, by enforcing air pollution standards, improving water infrastructure to keep our lakes and rivers clean and drinking water safe, and managing our national parks and other public lands.\(^1\) Clean water, clean air, healthy rivers, lakes and shorelines teeming with wildlife — these are benefits that every American has a right to enjoy, and that the U.S. Congress has a responsibility to protect.

Over the past year, the traditional legislative process has cut conservation disproportionately. Key programs such as the Land and Water Conservation Fund, State and Tribal Wildlife Grants and EPA’s geographic programs have been slashed by more than 30 percent, in contrast to overall non-defense discretionary spending, which has been cut by just 7 percent.\(^2\) These cuts to conservation threaten the future of our country's environmental and economic health, undermining the infrastructure that ensures we have clean air to breathe, water to drink, land to enjoy, and habitat for our country's wildlife. Further cuts to conservation will mean dirtier air, dirtier water and an overall weakening of our quality of life at a time when we cannot afford to lose any more.

To address America’s budget deficit, Congress created a 12-member “Joint Select Committee on Deficit Reduction” as a way to step outside the traditional bounds of the legislative process and partisan posturing during this critical time. As the federal deficit continues to grow, the National Wildlife Federation sees the work of the Joint Committee as an historic opportunity for Congress to set our country on a path toward a fiscally sustainable future by protecting programs that create jobs, save lives, and safeguard wildlife while cutting certain environmentally harmful subsidies.

The Joint Committee is charged with identifying at least $1.2 trillion in deficit reduction over the next 10 years. To meet this target, the joint committee may choose to increase revenue by reducing tax subsidies, cutting mandatory spending programs, or cutting additional discretionary spending. If the committee does not reach agreement on how to meet its goal, an automatic “sequestration” process kicks in, forcing across-the-board cuts to discretionary spending and some mandatory spending programs by the required $1.2 trillion. These discretionary spending cuts would inevitably undermine the investments that our country has made to preserve the health and safety of our water, air land and environment. In this scenario, federal spending in fiscal year 2021 will be almost $300 billion less than in the past fiscal year. And if this happens, the recent cuts to conservation programs would seem trivial in comparison.

Members of the Joint Committee

- **Rep. Jeb Hensarling** (R-Texas), Co-Chair
- **Sen. Patty Murray** (D-Washington), Co-Chair
- **Sen. Max Baucus** (D-Montana)
- **Rep. Xavier Becerra** (D-California)
- **Rep. Dave Camp** (R-Michigan)
- **Rep. James Clyburn** (D-South Carolina)
- **Sen. John Kerry** (D-Massachusetts)
- **Sen. Jon Kyl** (R-Arizona)
- **Sen. Rob Portman** (R-Ohio)
- **Sen. Pat Toomey** (R-Pennsylvania)
- **Rep. Fred Upton** (R-Michigan)
- **Rep. Chris Van Hollen** (D-Maryland)
The Committee faces important decisions about how to solve the nation’s deficit crisis. These members of Congress wield extraordinary power to make decisions that will reverberate for decades. It remains to be seen whether they will decide to cut tax subsidies to industries such as oil and gas that have seen record profits, or target programs that benefit millions of Americans every day in the form of clean air, clean water and a healthy environment.

This report highlights many of the conservation and environment programs that benefit millions of Americans in the form of sustainable jobs, health and overall quality of life. In particular, the report showcases the benefits of these programs in the states of each member of the Joint Committee, in an effort to demonstrate the impact that their decisions will have on their own states.

Conservation and environment investments directly help people in communities in every state. They create jobs, leverage additional public and private investment, and support infrastructure maintenance and improvements. A new economic study demonstrates that the great outdoors and historic preservation generate a conservative estimate of more than $1 trillion in total economic activity and support 9.4 million jobs each year. The outdoor recreation industry alone contributes $730 billion annually to the U.S. economy, supporting more than 6 million jobs and $49 billion in federal tax revenues. Grants issued under the Clean Air Act have had a direct impact on the health and welfare of millions of Americans: a report issued by EPA in 2010 estimated that the law has prevented 160,000 premature deaths, 130,000 heart attacks, 13 million lost workdays and 1.7 million asthma attacks.

These investments also have a multiplier effect that results in more jobs, higher incomes and increased property values, benefiting local businesses that provide goods and services, and supporting everyone from construction company owners to sport-fishing guides. But without federal assistance to help states and communities clean up contaminated waterways, reduce air pollution or protect wildlife habitat, these economic benefits will be lost.

Every American has a stake in the outcome of this process. We therefore urge the Committee to choose to protect the programs that benefit all Americans, rather than the business interests of a few. It would be a grave mistake for the Committee to use this process to undermine the investments in clean air, clean water and a healthy environment that are vital to our nation’s future. National Wildlife Federation urges the members of the Joint Committee to preserve the conservation and environmental funding that helps make America and its communities healthy and strong. Specifically, the Committee should:

- Raise revenues and protect against further cuts to discretionary spending that would harm all Americans.
- Report a bill free of any anti-environment policy riders or provisions blocking environmental protection. These provisions will not impact the deficit and would likely hinder passage of this important legislation.
- Reform programs and close loopholes that exacerbate the federal deficit and harm the environment at the same time. Some of these are detailed in “The Better Choice” section of this report on page 15.

The solution is clear. The Joint Committee should raise revenue and protect the vital programs described in the pages of this report. The fate of America’s wildlife, public health, and economy rests upon their decision.
Arizona

**Highlight: Bringing Back Endangered Species**

The majestic **bald eagle**, a symbol of our nation and a species sacred to Native Americans, has recovered in Arizona with help from State Wildlife Grants. This program provides support to states to help **preserve species** that are at risk of becoming endangered. The program has provided funding for the Arizona Game and Fish Department’s Bald Eagle Management Program as well as the work of the Southwestern Bald Eagle Management Committee, a collaboration of agencies and organizations, which includes Native American tribes, that facilitates the management of the bald eagle in the state. Cutting State Wildlife Grants could mean that the bald eagle and other at-risk species would retreat from their recovery, wasting the resources that have already gone toward the protection of these species and impoverishing all Arizonans and Americans.

**Federal funding benefits the environment and people of Arizona in many other ways, including:**

This year, the National Park Service announced the planned **expansion of Petrified Forest National Park**, a unique geological marvel and popular tourist attraction that has more than 600,000 visitors each year; the expansion is also expected to provide new opportunities for scientific research of the area’s unique fossils. The Land and Water Conservation Fund provided the funds to expand the park by approximately 26,000 acres. In 2009 alone, the National Park Service estimated that non-local visitors to this park added more than $21 million to the local economy and contributed to 593 local jobs. Cutting funding for the LWCF would limit future additions to our national parks and cause us to lose the economic benefits that they provide.

Grants from the Solar Energy Technologies Program of the Department of Energy have funded Arizona’s **solar research and development** projects. In August 2011, Arizona State University was selected to lead a national Engineering Research Center, partially funded through DOE grants, “to solve challenges to harnessing solar power in economically viable and sustainable ways.” The program has also attracted the involvement of industry partners, demonstrating how federal grants can help **promote innovation and growth** in the private sector. Without this funding, Arizona would not be able to realize its potential to lead the nation’s solar energy development, forfeiting the economic benefits that this clean energy industry would provide.

**Grand Canyon National Park** is one of the greatest natural wonders of the world and the second most visited U.S. national park, drawing nearly **5 million visitors annually**. The recreation and outdoor industries contribute a total of $730 billion to the U.S. economy, including **82,000 jobs and $350 million in state tax revenues each year** in Arizona. The National Park Service manages this park and others nationwide. Its operating budget supports the day-to-day functioning of these parks, as well as park police, construction and maintenance, land acquisition and state assistance, national recreation and preservation, and historic preservation. Without sufficient funds, the National Park system and the communities that depend on the parks would suffer. Already, the National Park Service faces a significant backlog in maintenance and land acquisition. Funding cuts would only worsen the problem, leaving even more parks with deteriorating roads, facilities, and water systems.
Highlight: Reducing Air Pollution

Californians are proud of their high quality of life, but Southern California in particular has a chronic problem with air pollution and smog. According to a 2008 report, in the South Coast Air Basin which includes Los Angeles, air pollution was estimated to cost each person more than $1250 per year, with a total economic cost estimated to be close to $22 billion. While some progress has been made, funding is needed to continue to improve the region’s air quality and protect public health.

Section 103 and Section 105 grants, authorized by the Clean Air Act and administered by the Environmental Protection Agency, help the region to monitor and address smog and other air pollutants. Section 103 grants provide money for monitoring and research on air quality and Section 105 grants support the implementation of programs to control and prevent air pollution. Without this funding, California and other states will be unable to enforce pollution standards. The residents of Southern California will experience more days when dangerous air quality triggers asthma attacks and other respiratory and cardiac problems.

Federal funding benefits the environment and people of California in many other ways, including:

**Restoration of the San Francisco Bay** is supported through the Environmental Protection Agency’s Geographic Programs. If funding for this program is reduced, the Bay might no longer be a viable habitat for species such as the California Brown Pelican, critical wetlands restoration projects would be slowed, and the more than 7 million residents of the area would no longer be able to enjoy the clean bay shoreline.

**Yosemite National Park** is one of the crown jewels of our national parks system, and America’s third most visited park. Nearly 95 percent of the park is designated wilderness, and the park provides valuable habitat for many threatened and endangered species. If funding for the National Park Service is reduced, facilities and areas of the park could be closed, impacting the important tourism industry and the economic benefits it brings to the area, as well as the ability of California residents and visitors to enjoy visiting this and other parks.

The California Least Tern is a rare bird that nests only in California and Mexico. As a result of funding from the Cooperative Endangered Species Fund, this species has experienced an increase in the number of breeding pairs, bringing this iconic Californian species back from the brink of extinction. Reduced funding for the CESF would imperil prospects for this and other endangered species.

The California Coastal National Monument preserves the natural habitats of thousands of small islands along the entire 1,100-mile long California coast, from Mexico to Oregon. California’s coast is home to a dazzling variety of birds and species such as sea lions. This national monument is a part of the National Landscape Conservation System administered by the Bureau of Land Management. NLCS conserves, protects and restores irreplaceable natural landscapes, including nearly 5 million acres in California. Cutting funding for this program will threaten the more than 400,000 jobs and more than $3 billion in tax revenues generated by the outdoor recreation industry in the state.
Maryland

Highlight: Restoring the Chesapeake Bay

The Chesapeake Bay is the largest estuary in the United States, supporting fisheries worth billions of dollars, providing numerous opportunities for outdoor recreation, and sustaining Maryland’s jobs in fishing, ports and trade, recreation and tourism. The Environmental Protection Agency’s geographic programs provide technical and financial assistance to restore the Bay and other “Great Waters” across the country. Restoration projects also promote local jobs: the Department of the Interior found that “every $1 million invested in ecosystem restoration activities creates an average of 30 mostly private-sector jobs.” During 2010 alone, restoration efforts for the Chesapeake Bay, the Great Lakes and the Everglades combined contributed $427 million in economic output and supported more than 3,200 jobs.

Cutting funding for restoration and water infrastructure programs would bring a halt to further progress in improving water quality, reducing pollutant loads, and restoring the Bay’s population of blue crabs. Significant cuts will hinder restoration efforts and threaten the economic activity generated by fisheries and tourism, which are dependent upon clean water.

Federal funding benefits the environment and people of Maryland in many other ways, including:

The Chesapeake Bay watershed is home to 17 million people, and provides the drinking water for Baltimore and Washington, DC. Clean Water State Revolving Funds provide low-interest loans to states to maintain and improve wastewater infrastructure. In 2009, the American Society of Civil Engineers gave both America’s drinking water and wastewater infrastructures grades of “D-.” State revolving funds provide the money needed to improve this already underfunded infrastructure, and cutting these funds would further jeopardize the health and safety of residents in Maryland and other states. Failing to invest in our infrastructure now will mean that even more taxpayer money will be needed in future years to repair it and to restore water polluted by a deteriorating system.

Agriculture has long been a significant source of pollution in the Chesapeake Bay. Farm Bill conservation programs, including the Environmental Quality Incentives Program and the Wildlife Habitat Incentives Program, provide resources to farmers in Maryland and other states within the Chesapeake Bay watershed to apply conservation practices to improve water quality, restore wetlands, and enhance wildlife habitat. In particular, EQIP supports the Chesapeake Bay Watershed Initiative, which provides “technical and financial assistance to address soil erosion, sedimentation, and excess nutrients in streams and waterways, as well as other natural resource concerns such as air quality, wetlands, wildlife habitat, and forestry.” These programs reduce the amount of pollution flowing into the Bay, helping to prevent the need for restoration in the future and helping farmers to meet or avoid the need for regulation. Cutting these programs would only delay needed investments and reverse the gains that have been made in restoring the Bay.

The Patuxent Research Refuge is part of the National Wildlife Refuge System, which is managed by the US Fish and Wildlife Service and is “the world’s largest network of lands and waters dedicated to protecting wildlife and their habitat.” The Patuxent Refuge is the nation’s leading refuge that supports wildlife research and also provides opportunities for hunting, fishing, outdoor exploration, and wildlife conservation. Economic studies have shown that every dollar invested in the refuge system returns an average of 4 times that amount to local communities, and returns are even higher when benefits such as higher property values and ecosystem services are considered.
Highlight: Protecting Massachusetts Bays

The Environmental Protection Agency’s National Estuary Program has supported the Massachusetts Bays Program for more than 20 years. The program was established to improve the quality of estuaries of national importance and directs each NEP to develop and implement a long-term plan for attaining or maintaining water quality. Habitat restoration and protection is also a major goal of the National Estuary Program. The area covered by the Massachusetts Bays Program includes 1.7 million residents of 50 coastal communities in the Massachusetts and Cape Cod bays. Without adequate funding for the National Estuary Program, the future of the bays, and the Bay State itself, would be in jeopardy.

Federal funding benefits the environment and people of Massachusetts in many other ways, including:

Cape Cod National Seashore, administered by the National Park Service, draws more than 4 million visitors a year, more than any other National Seashore in the country. Visitors to the Seashore spend more than $153 million in the area, supporting more than 1,600 local jobs. The Seashore is also an important habitat for birds native to Massachusetts, which have recently been experiencing dramatic population declines. Cutting funding for the maintenance and facilities at the Seashore would lead to a less positive experience and fewer visitors, reducing the positive impact of tourism on the local economy.

As recently as the 1980s, Boston Harbor was heavily polluted, often referred to as “the dirtiest harbor in America.” Raw sewage was routinely dumped directly into the harbor, constituting 40 percent of the freshwater flow into the river at its peak. State Revolving Funds provide low-interest loans to states for drinking water treatment facilities and water quality protection projects, and in Massachusetts, SRFs have helped establish the infrastructure necessary to clean up the Harbor, and continue to provide the money needed to maintain it. These programs, among others, have helped to transform Boston Harbor into a highlight of the city. Cutting funding of these programs would result in an inability to maintain the infrastructure that has been critical in cleaning up the Harbor and continuing to improve its water quality.

Clean Air Act grants help states reduce air pollution, including mercury and other air toxics. In particular, coal plants in Massachusetts contribute to the state’s air pollution issues. Without funding to regulate and monitor air pollution from these and other sources, the gains that have already been made with the state’s air quality will be lost, and benefits such as reductions in the number of premature deaths and respiratory illnesses would not be realized.

The fishing industry is crucial to the coastal economy and identity of Massachusetts. The National Oceanic and Atmospheric Administration funds fisheries research and restoration through the National Marine Fisheries Service and the Northeast Fisheries Science Center. These programs are vital to rebuilding and sustaining the state’s fishing industry, which is estimated to directly or indirectly support 83,000 jobs and $4.4 billion in revenue, the third-highest numbers of any state.
Michigan

Highlight: Preserving America’s “Most Beautiful Place”

Michigan’s Sleeping Bear Sand Dunes National Lakeshore, which was recently named the “Most Beautiful Place in America,” is home to 4 threatened or endangered species and is visited by 1.1 million people every year. What would Michigan be without its beautiful shorelines?

The National Park Service protects Sleeping Bear’s 35 miles of Lake Michigan shoreline as well as Michigan’s other national parks, including Isle Royale National Park and Pictured Rocks National Lakeshore.

The National Park Service is of crucial importance in preserving America’s natural beauty and managing park areas for the enjoyment of all citizens. Federal funding for the NPS also catalyzes a wide range of private investments in infrastructure that supports Michigan’s recreation and tourism industries. According to a study by the Department of the Interior, “Every $1 million invested in recreation projects produces 22 mostly private-sector jobs.”

If this federal funding is slashed, the management of these parks will suffer and visitors will no longer be able to enjoy the use of the facilities. Tourism will decline, negatively impacting the area, especially those who are dependent on income from tourists and recreational visitors. The deterioration of our Great Lakes parks would negatively impact all Michiganders.

Federal funding benefits the environment and people of Michigan in many other ways, including:

The Clean Water State Revolving Fund, administered by the Environmental Protection Agency, provides loans for water infrastructure projects, including wastewater treatment and pollution control. In 2011, the Clean Water SRF will provide Michigan with more than $64 million, which will help clean up rivers such as the Kalamazoo River. Without continued federal funding for this program, sewer overflow, stormwater, and agricultural runoff could flow unchecked into Michigan’s rivers, bays and lakes, harming water quality, wildlife, and the recreational and economic value of our waterways.

Michigan’s auto industry has the potential to lead the world in efficient vehicle technologies. The Vehicle Technologies Program of the Department of Energy’s Office of Energy Efficiency and Renewable Energy is supporting research and development into next-generation technologies to improve fuel efficiency and develop electric vehicles with lower emissions—helping the American auto industry while also making our air cleaner and reducing emissions of greenhouse gases. The Department of Energy also administers programs which aid automakers to establish or retool factories to manufacture the next generation of efficient vehicles. Cuts to such programs would be a blow to the auto industry’s recovery, the companies and workers that depend on it, and to the state’s economy as a whole.

Asian carp are at the doorstep of invading the Great Lakes and could cause irreparable economic and ecosystem damage if they establish breeding populations in the lakes. The Great Lakes provide drinking water for 25 million people, support a $7 billion fishery and are an integral part of North America’s cultural and economic heritage. Federal funding from the U.S. Fish and Wildlife Service helps combat Asian carp and other invasive species that reduce the productivity of native wildlife and cost hundreds of millions of dollars each year. Without this funding, the health and economies of the Great Lakes will be at risk.

The great forests of Michigan have been preserved through the Northern Great Lakes Forest Project. Funding from the Forest Legacy Program of the U.S. Forest Service Forest provided the key funding for “a record-setting conservation easement totaling 247,806 acres stretching across the Upper Peninsula.” A decline in this type of funding would mean that other precious areas are not brought under protection, leading to losses in forest-dependent wildlife species.
Highlight: Promoting Sustainable Farming

The Farm Bill is among the largest sources of conservation funding in the federal government. The Conservation Reserve Program provides financial incentives for ranchers and farmers to manage land in ways that benefit wildlife and people. Iconic species such as sage grouse and antelope benefit when their habitat is protected in ways that provide farmers with a stable, diverse source of income by using their lands to help sustain wildlife. The Environmental Quality Incentives Program provides technical assistance, incentive payments and cost-sharing to farmers and ranchers to implement conservation practices on their lands. EQIP has been successful in reducing pollution affecting watersheds and groundwater, reducing soil erosion, and promoting wildlife habitat for at-risk species on working lands. This program helped protect habitat for sage-grouse and grayling, both candidate species for the Endangered Species List, and has helped promote the sustainable use of farmland. If this funding were lost or greatly reduced, many farmers would have greater incentives to farm vulnerable habitat and environmentally sensitive areas.

In addition to providing direct benefits for wildlife conservation, the 'Open Fields' provision of the Farm Bill provides funding to state-run voluntary public access programs for hunting, fishing, and wildlife viewing. These access programs help address the huge demand for publicly accessible land for hunting and fishing activities that contribute greatly to rural economies. Montana’s Block Management program is one example of an "open fields" program that has benefited both producers and hunters.

Federal funding benefits the environment and people of Montana in many other ways, including:

- Tribal natural resource funding supports vital conservation efforts while preserving the cultural connections of tribes to fish, wildlife, and other natural resources and serving as significant sources of employment on reservations. Conservation programs are also vital to the health and well-being of tribal communities that rely on fish and wildlife for a large part of their subsistence. From 2003 to 2010, more than $2.4 million in Tribal Wildlife Grants from the Fish and Wildlife Service have helped to reintroduce endangered black-footed ferrets on the Northern Cheyenne Reservation and Yellowstone cutthroat trout on the Crow Reservation, as well as other important programs on Montana reservations that benefit wildlife and contribute to the sustainability of tribal lands and economies. The Trust Natural Resources Program of the Bureau of Indian Affairs also supports Montana’s Tribes to manage and protect fish and wildlife, endangered species, water resources, forests, parks, wetlands, waterfowl, many other natural resources, and treaty rights to fish, wildlife, and plants. Conservation funding for tribes is a treaty and trust responsibility of the federal government that cannot be disregarded, and cutting this funding would harm wildlife and tribal economies.

- The Clean Air Act has brought significant public health and environmental benefits to Montana and to the nation. For every dollar invested in air pollution reduction, Montanans and Americans receive the equivalent of $30 in benefits, primarily through improved public health. The recently proposed mercury and air toxics standards are projected to bring between $75 million and $190 million in health benefits to the state. Cutting back on enforcement of the Clean Air Act would threaten these benefits.

- EPA’s Northern Cheyenne Tribe Climate Showcase Community Project provided $200,000 for the retrofitting of an energy-inefficient building. This and other energy efficiency projects promote local jobs, reduce tribes’ greenhouse gas emissions, save money over the long term, and serve as a training project to spread information about energy efficiency in tribal communities. Without this kind of funding, energy costs will rise, burdening the limited financial resources of tribes, while also reducing employment opportunities for members of the community.

- Outdoor recreation in Montana supports 34,000 jobs and roughly $2 billion in retail sales and services each year, representing 7.5 percent of the state’s total economic activity. The Land and Water Conservation Fund helps protect large important landscapes and maintain economic viability for farmers and ranchers. It also provides many fishing access sites in Montana, connecting Montanans to this resource and helping drive a $2 billion economy. The Blackfoot River Special Management Area has benefited significantly from LWCF. The area is a popular boating and fishing destination that received almost $40 million to protect many species including grizzly bears, wolves, Canada lynx, and several threatened trout species, while also supporting vibrant recreation and ranching economies.
Highlight: Safeguarding the Great Lakes

Growing toxic blooms of blue-green algae have been choking the life out of Lake Erie, depleting the lake’s dissolved oxygen levels and threatening the health of the lake. Federal funding plays a crucial role in helping farmers and others reduce the erosion of soils with accumulations of phosphorous, nitrogen and other nutrients that lead to algae blooms.

This is just one of the many activities supported by the Great Lakes Restoration Initiative, which receives funding from the Environmental Protection Agency and is restoring the water quality and ecosystems of the Great Lakes in Illinois, Michigan, Minnesota, Ohio, Pennsylvania, and Wisconsin.

Many federal funding programs are involved in restoration and clean-up, including the Clean Water State Revolving Fund, which funds projects to help control agricultural stormwater runoff. The Department of Agriculture’s Environmental Quality Incentives Program helps preserve habitat for the region’s unique variety of waterfowl, raptors, turtles, beaver, birds, and fish.

Without this federal funding, Lake Erie would not recover, risking the health of fisheries, recreation, tourism, and our drinking water.

Federal funding benefits the environment and people of Ohio in many other ways, including:

The Biomass Crop Assistance Program is supporting farmers in Northeast Ohio and Pennsylvania to grow dedicated energy crops to produce biomass for the next generation of biofuels and bio-based products, finding uses for what was once seen as agricultural waste. Some 1,200 new jobs are expected to result from this effort, which will help diversify Ohio’s agricultural industry. Without this innovative financing, there will be less demand for the products produced by Ohio’s farmers, leading to the decline of farming communities and jobs.

The Ohio Grand River Wetland Project, supported by $1 million provided under the North American Wetlands Conservation Act, helps protect the region’s wetlands, which are among the most productive ecosystems. NAWCA provides grants for wetlands conservation projects to reduce flooding, purify water, and provide habitat for fish, birds and other wildlife. This funding is appreciated by duck hunters and by all of the people living along the river; if these natural flood mitigation systems are not preserved, the region could experience increased flooding. Ohio has lost 90 percent of its wetlands since the 1780s, the second highest percent loss in the nation, making protecting Ohio's existing wetlands a critical priority.

Cuyahoga Valley National Park is an emblem of the successful recovery of the Cuyahoga River, which was once infamous for catching fire in 1969. Now, as one of the newest national parks, it is the 9th most visited national park and is a playground for those living in the adjoining urban areas of northeastern Ohio. A wide variety of federal programs have helped transform the Cuyahoga River from a former symbol of environmental neglect into a source of pride for all Ohioans.

The Neighborhood Leadership for Environmental Health Project in Cleveland, funded by $90,000 from the EPA Community Action for Renewed Environment (CARE) program, works to build awareness of environmental risks faced by the community, such as asthma linked to air pollution, radon, and childhood lead poisoning. Cutting this kind of funding will expose the residents of one of Ohio's most populous urban areas to more severe threats to their environmental health.
In 2011, Pennsylvania experienced severe flooding of the Susquehanna River, with tremendous damage to property and disruptions to lives in many communities. The Federal Emergency Management Agency plays a crucial role in responding to floods and other natural disasters and a variety of federal agencies and programs assist efforts to rebuild and plan in ways that will prevent major losses in the future. Programs such as the U.S. Geological Survey’s National Streamflow Information Program help to monitor flood levels, which can help us prevent and respond to future disasters.

Federal funding benefits the environment and people of Pennsylvania in many other ways, including:

Pittsburgh has seen significant improvement in air quality over the past few decades. Yet the number of high ozone days and particle pollution levels in the county still received failing grades in the American Lung Association’s 2011 “State of the Air” report. Clean Air Act Section 105 grants help states monitor and address air quality, and decreasing the amount of money available could cause Pittsburgh’s air quality to deteriorate.

The State Wildlife Grants program supports “the conservation and recovery of declining fish and wildlife species at the state level.” These grants support work with a variety of stakeholders to protect bird, mammal and fish species. In 2010 alone, $1.2 million of these funds “leveraged an additional $1.6 million in non-federal funding from project partners.” A key success of this program has been that Pennsylvania was able to remove a total of ten native fish species, including the river redhorse and longnose gar, from the list of state endangered, threatened, or candidate species, contributing to the state’s ecology and to its valuable recreation economy.

Penn State University received a grant for $944,591 from the Graduate Automotive Technology Education (GATE) initiative of the Department of Energy. This project facilitates coordination among researchers to work more effectively with industry to develop energy storage technology as well as hybrid and hydrogen vehicles. Without this kind of funding, scientists and businesses in Pennsylvania would not be able to join the cutting-edge and energy-saving technologies that are the future of the automotive industry.

Pennsylvania’s wetlands provide important habitat for species such as the bog turtle, a threatened species that is North America’s smallest variety of turtle, which has experienced significant habitat loss from the filling and drainage of wetlands. The Bog Turtle Initiative, a program under the Wetlands Reserve Program of the Department of Agriculture’s Natural Resources Conservation Service, "is a voluntary program offering landowners the opportunity to protect, restore, and enhance wetlands on their property," enhancing the attraction and wonder of Pennsylvania’s great outdoors.

The Section 319 Nonpoint Pollution Reduction Program supports activities that keep Pennsylvania’s water clean. For example, the Lloydville Run project conducted treatment of an abandoned mine, removing toxic metals to restore a polluted source of drinking water. Without this kind of funding, it would not be possible to clean up pollution affecting our drinking water and aquatic habitats.
The National Institute of Environmental Health Sciences (NEHIS), which is a part of the National Institutes of Health, provides a number of grants to universities, such as South Carolina State University, to study and better understand the impacts of pollution. These grants also fund research into methods to reduce the impacts of pollution, which often disproportionately affects vulnerable minority and disadvantaged communities. This funding facilitates the participation of a variety of groups in efforts to clean up disadvantaged areas, such as neighborhoods in North Charleston.  

If the annual NIEHS budget of $707 million is cut, the people of South Carolina and other states will suffer more from health and respiratory problems such as asthma, caused by exposure to toxic chemicals, mercury, and pesticides.

Federal funding benefits the environment and people of South Carolina in many other ways, including:

Funding from the Land and Water Conservation Fund was used in purchasing land for the expansion of Congaree National Park, allowing the development of a new route for convenient public access. Slashing LWCF funding would mean that the federal government would not be able to purchase such additions of land for incorporation into our national parks. Other important areas in the state, including Waccamaw National Wildlife Refuge, would also not be protected from development.

The South Carolina coast is a treasure for residents and tourists who help drive the local economy. Cape Romain National Wildlife Refuge is central to the beauty and health of the coast, providing habitat for the abundance of shorebirds and seabirds in the state, such as Wilson’s Plover and American Oystercatcher, as well as nesting sites for sea turtles. Cape Romain NWR is such a vital bird habitat that it has been designated as one of only 20 Western Hemisphere Shorebird Reserve Network Hemispheric Sites of International Importance in North and South America. Without federal funding, the protection of this important place would be in jeopardy, as would the state’s recreation and tourism economies.

North Inlet-Winyah Bay is part of the network of National Estuarine Research Reserves. Research under this program is essential to preserve the health of these diverse and highly productive aquatic ecosystems. Both recreational and commercial fisheries benefit from research and management of these resources, which bring economic and recreational benefits to the state.

The Environmental Protection Agency’s Section 319 Nonpoint Pollution Reduction Program funds efforts to improve water quality in various locations throughout the state, including a project to remove sources of fecal coliform in Thompson Creek. Without this federal funding, South Carolina’s streams and drinking water would be at risk from dangerous pollution.
Texas

Highlight: Responding to Wildfires and Other Disasters

Wildfires devastated large areas of Texas in 2011, including the most destructive blaze in the history of the state. Such fires are not only destructive, they are also costly to combat; fires in 2011 were estimated to cost more than $200 million to fight. Federal funding is crucial in responding to such disasters. The U.S. Forest Service provides support to local firefighting crews with aerial missions. The Federal Emergency Management Agency provides reimbursements for disaster-response costs, and the National Oceanic and Atmospheric Administration conducts research into atmospheric trends which can be used to plan for future fire risks.

If funding for these activities were to be cut, the ability of Texas and other states to respond to fires and other natural disasters would be impeded, with potentially devastating results.

**Federal funding benefits the environment and people of Texas in many other ways, including:**

The Department of Agriculture’s Conservation Reserve Program is one of the many programs that are critical in maintaining wildlife habitat on working landscapes. Given the severe drought that has hit Texas in 2011, it is important to note that CRP land is available for emergency haying and grazing in drought years; in difficult times, it can provide one of the only good sources of forage for livestock in desperate need.

The Big Thicket National Preserve in southeastern Texas, managed by the National Park Service, is home to a dazzling diversity of plant and animal species. The Department of the Interior has found that “[n]ational parks, national wildlife refuges, and other sites managed by the Interior Department attracted more than 414 million visitors in 2008, supporting 316,000 jobs in tourism and recreation in all 50 states and generating more than $25 billion in economic activity.”

The Cooperative Alliance for Refuge Enhancement (CARE) reported that “[i]n 2008, more than 1 million visitors enjoyed hiking, bird watching, environmental education, hunting and fishing on Texas wildlife refuges,” concluding that such wildlife refuges are “undeniable economic engines.” CARE wrote that “[a]t Santa Ana National Wildlife Refuge in Texas, for every $1 spent on the refuge’s budget, nearly $20 are generated in recreational expenditures to the local economy. Recreation visitor spending totaled more than $5 million, generated 490 jobs, nearly $14 million in employment income and more than $650,000 in tax revenue.” Nevertheless, Texas wildlife refuges face “deferred operations and maintenance projects that total more than $97.8 million” and were threatened with unsustainable staff shortages. Significant new spending cuts could result in even more eliminations of staff positions as well as refuge closures.

The National Estuary Program of the Environmental Protection Agency supports research and activities related to Galveston Bay that help to protect this important coastal habitat, which is threatened by shoreline erosion. This program works with partners to implement activities to restore and expand oyster reefs and wetlands. Without this funding, the sustainability and productivity of the bay would decline.

Section 103 and 105 grants under the Clean Air Act supplement state funding for air pollution-related research, monitoring, and control activities, which helps address air quality issues in cities such as Houston. In 2011, the Houston area was ranked as the 8th most polluted city in the country for ozone, and 17th for particle pollution. While this represented an improvement for the city compared to past years, it reflects the need for continued funding to help implement and enforce strong air quality standards.
Puget Sound is the second largest estuary in the United States, and the region is **home to more than 4 million people**, including the cities of Seattle and Tacoma. The economy of the region is largely tied to the Sound and its natural resources, such as lumber, shellfish, and recreation. In addition, hundreds of thousands of people come to the Sound for its wildlife, natural beauty and recreation opportunities, such as boating, kayaking, whale watching, and fishing.73

The economic value of a **healthy Puget Sound** is significant. The Washington State Department of Ecology estimated that the Sound helps drive $20 billion in economic activity in the state, including recreational and commercial fishing, shell fishing, tourism, and boating.74 EPA Geographic Programs support **restoration projects** in watersheds across the country including Puget Sound, to ensure that valuable ecosystems are restored and maintained for generations to come. Cutting funding to these important programs would undermine the economic and environmental health of Washington and the communities that depend on the Sound.

**Federal funding benefits the environment and people of Washington in many other ways, including:**

Olympic National Park, operated by the National Park Service, is the 5th most visited national park in the country, bringing more than 3 million visitors to the area in 2009.75 95 percent of the park is designated as wilderness, and is a destination for hiking, camping, and enjoying the area’s diverse coastal wilderness ecosystems. Protecting these resources is critical, since more than **100,000 jobs and more than 3 percent of the entire state economy depends on outdoor recreation activities.76**

In addition to maintaining the operations of existing parks, federal funding helps **expand parks** through the purchase of additional land. In 2010, the Land and Water Conservation Fund provided $990,000 to fund the expansion of the iconic Mount Rainier National Park. Before the expansion, which added 440 acres to the park’s total area, the main road leading into the park from Seattle was often closed due to flooding.77 The additional land allowed the Park Service to relocate parking and some facilities, **improving access** to the park and **boosting the economies of the surrounding communities**. Additionally, the acquisition means that the park is now connected to the Puget Sound, creating wildlife corridors and **improving wildlife habitat.**

The Cooperative Endangered Species Fund, operated by the U.S. Fish and Wildlife Service, **helps prevent species from becoming endangered** by funding conservation projects for candidate, proposed, and listed species.78 Among the projects receiving CESF funding in Washington is the Puyallup River Levee Setback, a project to relocate a levee along the Puyallup River. This will connect aquatic and riparian habitat to the river, helping protect endangered species and improving flood hazard management through restoring natural ecological processes and habitat.79

Several **agriculture and wildlife programs** have played a critical role in protecting habitat in Washington for the **sage grouse**, a bird species that is a candidate for listing under the Endangered Species Act. The Natural Resource Conservation Service in the Department of Agriculture led the “Sage Grouse Initiative,” a collaborative program across several western states and using resources from several agricultural conservation programs.80 The Conservation Reserve Program compensates farmers for leaving sage-grouse habitat idle or using rotational grazing.81 The Environmental Quality Incentives Program and the Wildlife Habitats Incentives Program provide additional funding to support the sage grouse population.82 State and Tribal Wildlife Grants, administered by the Fish and Wildlife Service, have also provided grants to **improve habitat** to reduce sage-grouse mortalities. These proactive programs have helped to double the sage grouse population since 2004,83 preventing the species from diminishing to the point where it would need to be listed under the ESA, which would lead to significant costs and additional responsibilities for farmers. In addition to improving sage grouse habitat, these programs help protect other wildlife and **ensure that land is farmed sustainably.**
The Better Choice: Close Special Interest Loopholes

The Joint Committee can and should reach a sweeping agreement that puts America’s fiscal house in order while ensuring continued investments in our most basic and fundamental priorities. There are a series of measures that can be enacted now to help reduce the deficit by billions of dollars and create jobs and economic growth while protecting the environment. Closing these special interest tax loopholes and eliminating wasteful subsidies makes far more sense than layering on any further cuts to the 1 percent of the federal budget that keeps our air clean, our water safe to drink and our parks and wildlife refuges open.\textsuperscript{84}

End preferential treatment for oil and gas companies

A variety of federal tax policies that specifically benefit the oil and gas industry are, in effect, subsidies.\textsuperscript{85} This preferential treatment is provided despite the fact that this industry does not need these subsidies to be profitable. According to former Assistant Secretary of the Treasury Alan Krueger, the “tax subsidies that are currently provided to the oil and gas industry lead to inefficiency by encouraging an over investment of domestic resources in this industry.”\textsuperscript{86}

The following adjustments would result in increased revenues of more than $100 billion over the next decade.

\textit{Suggested reforms, listed with their projected budget savings over 10 years:}\textsuperscript{87}

- Eliminate oil and gas tax preferences ($41 billion)\textsuperscript{88}
  - Stop percentage depletion accounting for oil and gas wells ($10.5 billion);
  - Repeal the domestic manufacturing deduction for the oil and gas industry ($16.4 billion);
  - Rescind operators’ ability to expense intangible drilling costs (such as wages, fuel, and supplies) ($12.8 billion);
  - Prevent operators from deducting costs for tertiary injectants ($83 million);
  - End passive loss limitation exceptions ($187 million); and
  - Increase (from 2 to 7 years) the amortization period for independent producers’ geophysical and geological expenditures ($1.5 billion);
- Repeal the last-in, first-out (LIFO) inventory accounting method to prevent companies from reducing their tax obligations ($51.8 billion)\textsuperscript{89};
- Reform tax rules for oil companies that currently claim deductions on royalties paid to foreign countries (“dual-capacity” taxpayers) ($9.9 billion)\textsuperscript{90};
- End the tax break for oil refineries, under which new refineries—including those processing dirty tar sands—can deduct 50 percent of construction and upgrade expenses during the first year of operation ($3.9 billion over 5 years)\textsuperscript{91};
- Institute a fee on non-producing oil and gas leases ($1 billion)\textsuperscript{92};
- Eliminate the federally-funded research and development program for ultra-deepwater oil and gas ($150 million)\textsuperscript{93}; and
- Use industry fees to cover costs for processing oil and gas drilling applications ($66 million)\textsuperscript{94}.

End coal industry loopholes and subsidies

Repealing 4 tax loopholes benefitting the coal industry would reduce the deficit by $2 billion over ten years\textsuperscript{95}, while reforming the Coal and Hardrock Abandoned Mine Lands program could save an additional $1.3 billion\textsuperscript{96}.

\textit{Suggested reforms, listed with their projected cost over 10 years:}

- Repeal expensing of exploration and development costs ($411 million);
- Repeal percentage depletion for coal and hard mineral fossil fuels ($1.1 billion);
- Repeal capital gains accounting for coal royalties ($353 million); and
- Repeal the domestic manufacturing deduction for coal and hard mineral fossil fuels ($389 million).
Reform inland waterways funding

The barge industry touts itself as the cheapest form of commodity transportation, yet the equation used to support that designation excludes more than 90 percent of the costs to support the inland waterways system. To make matters worse, often operations funded by this account cause environmental damage to our nation’s river system that far outweighs benefits to a few barge operators. New user fees would generate at least $1 billion of additional revenue into the Inland Waterways Trust Fund over the next 10 years.

Reform the National Flood Insurance Program (NFIP)

Currently, 1.2 million (or 20 percent) of all NFIP properties are charged premiums well below actuarial value: on average (including subsidized and unsubsidized policies) NFIP premium collections cover approximately 70 percent of the actuarial value of the insured liability. This means that property owners receive a federal subsidy that encourages development in floodplains and environmentally sensitive habitat. To address this concern, we support proposals in the House and Senate which would reform the NFIP and collect about $4.2 billion over 10 years.

Eliminate the corn ethanol tax credit

The corn ethanol tax credit is a costly and wasteful subsidy which is contributing to widespread habitat destruction and increasing emissions of greenhouse gases, while impeding our ability to transition to new, better-performing biofuels. An extension of the Volumetric Ethanol Excise Tax Credit (VEETC) would cost more than $31 billion over the next 5 years—$6 billion in the next year alone—while generating little domestic corn ethanol production beyond what is already mandated by the Renewable Fuels Standard and creating few new jobs. While not technically falling under the purview of the Joint Committee, ending this subsidy would greatly help our long term deficit reduction efforts.

Reform administration of our public lands

Our nation’s public lands have long been exploited by commercial loggers, mining interests and energy developers, but these private interests still do not pay their fair share to the American people. We can recoup almost half a billion dollars over the next 10 years by making the following changes:

- Share the costs of administering mineral and energy leases on public lands with the states ($412 million);
- Reform the mining royalty system for gold, silver, and other hardrock minerals to ensure a better return for taxpayers’ public resources ($36 million);
- Reauthorize the Federal Land Transaction Facilitation Act, which enables the government to sell unneeded public lands in return for environmentally important tracts ($20 million).

Prevent government-subsidized incentives to destroy native ecosystems

Throughout the Great Plains and other parts of the country, native prairie, bottomland forest, and other types of native habitat are being tilled, cleared and converted to cropland. Much of this land is marginal, highly erodible, and/or prone to flooding; it would not be farmed if the risk in doing so were not underwritten by taxpayer-subsidized crop insurance and disaster assistance programs. The Farm Bill’s “Sod saver” provision would prevent these abuses and save up to $3 billion over the next decade.
Endnotes

1 The 1 percent value was calculated by the Nature Conservancy based on the total amount spent under Budget Function 300, using numbers from the Historical Tables from OMB’s FY 12 Budget, P.L. 112-10, and P.L. 112-25.
2 These values were also calculated by the Nature Conservancy based on OMB budget numbers.
20 http://www.latimes.com/travel/la-tr-top20nationalparks-pg,0,4023261.photogallery


North Inlet-Winyah Bay, National Estuarine Research Reserve. http://www.northinlet.sc.edu/


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This graph compares projected spending levels between the recent House-passed budget, the Administration’s budget, and the spending limits set by the Budget Control Act. The light blue line at the bottom is what the discretionary spending level would be if the Joint Committee fails to reach an agreement.

Source: The Nature Conservancy

This graph shows the percent of the federal budget that goes toward Function 300, the budget category that includes natural resources and environment spending.

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