

*Wildlife and Hunting Heritage
Conservation Council*

November 6, 2012

The Honorable Ken Salazar, Secretary
Department of the Interior
1849 C Street NW
Washington, D.C. 20240

Dear Secretary Salazar:

At the Wildlife and Hunting Heritage Conservation Council's (Council) October 16 and 17 meeting, we discussed at length the potential detrimental impact of sequestration on resources available for conservation programs within the Department of the Interior and the Department of Agriculture.

As individuals, we pledge to work with Congressional leadership to mitigate these negative impacts. We know that you share our concerns and we appreciate your efforts to ensure that future generations of Americans will also have the opportunity to enjoy the wildlife experiences that we value so dearly. Like you, for each of us this is a quality of life issue.

One specific matter of particular concern to Council members is the potential sequestration of dedicated, permanently appropriated Wildlife and Sport Fish Restoration Trust Funds (and Boating Safety Trust Funds). The Council understands you feel you lack discretion in this decision, nonetheless these funds are so critical to conservation that we are compelled to express our concern. These Trust accounts provide foundational funding to state agencies to deliver wildlife conservation, management, outdoor recreation access, education, and safety programs. The state, industry, retail, private, and non-governmental members of the Council are united in concern over this potential action.

This year represents the 75th anniversary of the Wildlife Restoration Trust Fund, established by the Pittman-Robertson Act. It was created at the request of sportsmen and women in 1937 during another period of financial difficulty. The Pittman-Robertson legislation created an enduring conservation funding partnership between state and federal government agencies, the firearms and ammunition industry, and the sportsmen and women of America. If sequestration is applied to this Fund, and the other two noted above, it would constitute a breach of trust between the federal government custodians of the Funds and the industry and sportsperson communities who willingly support them through excise and motor boat fuel taxes. These communities have believed for 75 years that their dollars would support annual expenditures for conservation of fish and wildlife resources and sustainable access and enjoyment of those resources. Attached to this letter is a fact sheet developed by the Association of Fish and Wildlife Agencies describing in more detail the Wildlife and Sport Fish Restoration Programs and how they, and other conservation programs, could be impacted by sequestration.

CHAIRMAN

John Tomke
Ducks Unlimited

VICE CHAIRMAN

Christine Thomas
University of Wisconsin-Stevens Point

MEMBERS

M. David Allen
Rocky Mountain Elk Foundation

Jeffrey S. Crane
Congressional Sportsmen's Foundation

Robert R. Fithian
Alaska Professional Hunters
Association, Inc.

Thomas Franklin
Theodore Roosevelt Conservation
Partnership

Winifred B Kessler
The Wildlife Society

Jonathan Gasset
Kentucky Department of Fish &
Wildlife Resources

Robert Manes
The Nature Conservancy

Baasewe Frederick D. Maulson
Great Lakes Indian Fish and Wildlife
Commission

Tommy Millner
Cabela's

Robert Model
Boone and Crockett Club

Joanna Prukop

Stephen L. Sanetti
National Shooting Sports Foundation

Larry Schweiger
National Wildlife Federation

George C. Thornton
National Wild Turkey Federation

Howard K. Vincent
Pheasants Forever

Steve Williams
Wildlife Management Institute

EX OFFICIO REPRESENTATION

*Association of Fish and Wildlife Agencies
Bureau of Land Management
National Park Service
U.S. Fish and Wildlife Service
Farm Service Agency
U.S. Forest Service
Natural Resources Conservation Service*

Council Coordinator

U.S. Fish and Wildlife Service
Division of Program & Partnership
Support
4401 N. Fairfax Drive, MS EA-3103
Arlington, VA 22203
P 703 358-2639
F 703 358-2548

We understand that these funds were sequestered twice in the past, in 1985 and 1989, and that the Office of Management and Budget believes these funds are again subject to sequestration. Several members of the Council expressed their concern that this interpretation is inconsistent with the Gramm-Rudman-Hollings Act of 1985, as amended. If indeed OMB has already made this determination, then we respectfully ask that you consider four actions: 1) formally appeal to OMB for an exemption of potential sequestration of these Trust funds, 2) if you determine that an appeal is unwarranted or if the exemption is denied, request from OMB a written explanation of their determination, 3) clarify how sequestered Trust funds were returned/reverted in the previous two sequestrations and whether the Trust funds would be handled in a similar manner for the potential upcoming sequestration, and 4) finally, we are well aware of Congress' role in sequestration and urge you to work with them to resolve the threat it poses to our nation's hunting and wildlife conservation heritage. As appropriate, we request that you forward this letter to the leadership of both federal legislative bodies.

Thank you for your unwavering support of America's fish and wildlife resources and the habitats necessary to support them. We stand ready to assist in your conservation efforts.

Sincerely,

A handwritten signature in black ink that reads "John Tomke". The signature is written in a cursive, flowing style.

John Tomke, Chair
Wildlife and Hunting Heritage Conservation Council

Cc:
Dan Ashe, Director U.S. Fish and Wildlife Service

Attachment



Federal Budget Sequestration and the Risks to America's Fish and Wildlife Resources, Public Safety and the Economy

[What is federal budget sequestration?](#)

[How will federal budget sequestration affect fish and wildlife conservation and boating safety?](#)

[How are Wildlife and Sport Fish Restoration and Boating Safety Trust Funds different than other federal programs?](#)

[Can the Trust Funds be exempt from federal budget sequestration?](#)

[Why were the Wildlife and Sport Fish Restoration and Boating Safety Trust Funds created and what have they accomplished?](#)

[Why is it important to maintain steady funding from the Trust Funds to state agencies?](#)

What is federal budget sequestration?

- In August 2011, Congress passed the Budget Control Act of 2011 aimed at cutting the federal deficit by \$1.2 trillion over the next 10 years by mandating automatic spending caps on the federal government's nondefense-related, mandatory and discretionary spending—known as sequestration.
- The Budget Control Act will impact nearly all taxpayer-funded federal government agencies and programs. The sequestration will result in a 9.4% reduction in non-exempt defense discretionary funding and an 8.2% reduction in non-exempt nondefense discretionary funding. The sequestration would also impose cuts of 2% to Medicare; 7.6% to other non-exempt nondefense mandatory programs; and 10% to non-exempt defense mandatory programs.
- Passed on August 7, 2012, the Sequestration Transparency Act of 2012 (STA) (P.L. 112-155) requires the President—in consultation with the Office of Management and Budget (OMB) and the heads of each executive agency—to submit to Congress a detailed report on the potential sequestration (budget cuts to be made) that would be triggered by the failure of the Joint Select Committee on Deficit Reduction to propose, and Congress to enact, a plan to reduce the deficit. Implementation of the Sequestration Transparency Act of 2012 (P.L. 112-155) is scheduled to take effect on January 2, 2013.

How will federal budget sequestration affect fish and wildlife conservation and boating safety?

- The Budget Control Act of 2011 requires that **7.6%** of the nation's Wildlife and Sport Fish Restoration Programs and Boating Safety Trust Fund—collectively called the Trust Funds—be "sequestered" or withheld from distribution to the states. The Trust Funds are currently considered mandatory, non-discretionary funds. Sequestration would equate to a loss of \$74 million to states in FY2013.
- The Trust Funds are the collection of excise taxes paid by industry to the federal government from the purchase of bows and arrows; guns and ammunition; fishing tackle and equipment; and motorboat fuel.
- The Trust Funds are the lifeblood of state fish and wildlife agencies' day-to-day operating budgets. State agencies use their Trust Fund apportionments exclusively to restore and manage fisheries and wildlife and their habitats; open and maintain recreational access for all (including shooting ranges); and deliver hunter and boating safety education.

- State agencies and boating administrators spend Trust Fund dollars, not the federal government. The U.S. Fish and Wildlife Service (USFWS) serves as the pass-through mechanism for distributing Wildlife and Sport Fish Restoration funds to state fish and wildlife agencies, and similarly, the U.S. Department of Homeland Security for the Boating Safety Trust Fund.
- By withholding **7.6%** of these Wildlife and Sport Fish Restoration and Boating Safety Trust Funds, the Budget Control Act of 2011 will adversely affect states' ability to manage their fish and wildlife resources in the public interest and cut millions of dollars available for fish, wildlife and habitat conservation and hunting, angling, boating and recreational shooting activities in each state. Currently, there is no consistent substitute or replacement mechanism for the loss of these operating funds.
- State Boating Law Administrators also will experience a **7.6%** cut to their federal allocation, which will reduce funding available for boating safety activities, boating education, access and boat registration and titling.
- If withheld in 2013, **\$31 million, \$34 million and \$9 million (\$74 million total)** from Wildlife Restoration, Sport Fish Restoration and Boating Safety, respectively, will collect in the Trust Funds accounts until sequestration terminates, at which time the accumulated funds will be allocated to the states.
- The money will not be diverted from the Trust Funds to the U.S. Treasury for other uses; but the funds will be unavailable to the states for their intended purposes every year that sequestration is in effect.
- The Wildlife and Sport Fish Restoration laws require states to provide a 25% non-federal, state-funded match to receive the 75% allocated from their Trust Funds. If annual Trust Funds are withheld from apportionment and "banked," states may not be able to raise the significant match or have carry-forward spending authority when the funds are released.
- Some states will lose more than \$1 million from their operating budgets due to sequestration (like Virginia) in 2013. Each state fish and wildlife agency and boating administrator will have to determine where to make cuts to balance their reduced budgets if budget sequestration as written takes effect. At risk are applied fish and wildlife research; public access to Wildlife Management Areas; fish hatcheries and fish stocking programs; hunter safety and education courses; boating safety and education courses; and shooting ranges. Decreased operating funds may result in staff layoffs.
- Although not part of the Trust Funds sequestration, other discretionary federal grant programs important to state agencies (i.e., State and Tribal Wildlife Grants and Section 6 funding under the Endangered Species Act) will be reduced by **8.2%** and restrict agencies' ability to restore and enhance critical habitats; manage wildlife diversity; and address threatened or endangered species listing issues.

How are Wildlife and Sport Fish Restoration and Boating Safety Trust Funds different than other federal programs?

- The Wildlife and Sport Fish Restoration and Boating Safety Trust Funds are not taxpayer dollars derived through federal income taxes.
- The Trust Funds are raised through federal excise taxes levied on bows and arrows; guns and ammunition; fishing tackle and equipment; and motorboat fuel that industry pays quarterly to the federal government. Hunters, recreational shooters, archers, anglers and boaters buy the excise-taxable items and those revenues combined with sales of hunting, fishing and boat licenses determine how much funding is allocated to each state agency. These Trust Funds are the backbone of the nation's users-pay, public-benefit funding system for fish and wildlife conservation.
- The Wildlife and Sport Fish Restoration (WSFR) Programs were established more than 75 years ago when sportsmen and industry manufacturers of firearms and ammunition urged Congress to reallocate an existing tax on arms and ammo to the states for fish and wildlife restoration and management. Since then, more than

\$14 billion dollars have been entrusted to state fish and wildlife agencies for fisheries and wildlife restoration and management; hunter, angler and boater access; and hunter and boater safety education.

- When the Federal Aid to Wildlife Restoration (Pittman-Robertson) Act of 1937 passed, the direction was clear in the legislation that the federal government was the collecting agent with an immediate distribution of the funds to the states. The Federal Aid to Sport Fish Restoration (Dingell-Johnson) Act passed in 1950 with the same intent as well as its (Wallop-Breaux) Boating Trust Fund Amendment in 1984.

Can the Trust Funds be exempt from federal budget sequestration?

- The Gramm-Rudman-Hollings Act, section 255 provides that “Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds” are exempt along with a list of other exemptions (e.g., the President’s and judges’ salaries). The Budget Control Act of 2011 amended the Gramm-Rudman-Hollings Act. However, the exemption from sequestration for trust funds paid from excise taxes was not changed and is still in effect.
- The Office of Management and Budget, on advice of its counsel and in consultation with the U.S. Fish and Wildlife Service, has interpreted the sequestration exemption for trust funds paid from excise taxes to mean that the **payments of the excise taxes into the Wildlife and Sport Fish Restoration Fund and Boating Trust Fund are exempt from sequestration, but the appropriations of funds out of these trust funds to implement the purposes of the Trust Funds are not exempt.**
- Members of the wildlife, sport fish, hunting, fishing, boating and conservation community and industry agree that sequestering the spending authority of these inviolable Trust Funds to states is a breach of faith and violates the intent of the user-pay, public-benefit system of fish and wildlife conservation and access.
- Congress can exempt the Trust Funds from sequestration by amending the “Exemption” provision found in Section 255 of 1985 Gramm-Rudman-Hollings Act so as to include appropriations **from** such trust funds in addition to payments **to** such funds. This act of Congress would be the most long-lasting solution.

Why were the Wildlife and Sport Fish Restoration and Boating Safety Trust Funds created and what have they accomplished?

- Prior to the passage of the Wildlife Restoration Act in 1937, wildlife populations were rapidly declining. The extinction of the passenger pigeon and Carolina parakeet had already occurred and bison, wood ducks and many other game species were likewise headed towards potential extinction. The legislation passed so that funds would be available to states to restore wildlife populations and their habitats.
- Knowing that wildlife conservation funding could never compete with federal spending on education, welfare and transportation programs, Congressman A. Willis Robertson realized the potential for the diversion of state license revenue and the need to protect these public funds in the future. As a result, the Federal Aid to Wildlife Restoration bill required that each state adopt legislation prohibiting license revenue from being diverted to other uses.
- The original WSFR programs have been so successful in raising funds for conservation that amendments have been enacted in agreement with industry and sportsmen and women to expand the excise taxes on archery equipment, handguns, trolling motors and fish finders, and including motor boat fuel taxes (which fund the Boating Safety Trust Fund) to the states.
- The biological success of the Wildlife and Sport Fish Restoration Program has been monumental. When the Wildlife Restoration Act was passed, there were fewer than 500,000 white-tailed deer in this country. Today, through science-based habitat management and restoration efforts, there are more than 30 million animals and are at record numbers in almost every state where they are found.

- In the 1930s, there were approximately 30,000 wild turkeys. Through state restoration efforts funded mainly through Wildlife Restoration Funds and license revenues, populations of various subspecies of wild turkey are thriving in the 48 contiguous states and Hawaii. Today, the Eastern Wild Turkey population numbers more than 5.1 million birds. Pronghorn antelope, elk, wood duck, black bears and many others have similar success stories.
- Through excise tax-derived WSFR funds coupled with license dollars, state agencies have been able to provide hunter education to more than 24 million people; build hundreds of public shooting ranges; develop Walk-In Hunting Access programs; provide more than 22,000 public fishing sites; educate youth in schools about how conservation is funded; and deliver outdoor skills training to millions of Americans of all ages.
- WSFR funds have also helped agencies to acquire and maintain nearly 400 million acres of habitat across the country as well as provide hunting, recreational shooting, fishing and boating access through leases, easements and purchases. These lands and waters are economic assets to the states and to the local economies that depend on the more than \$85 billion market force of hunters and anglers
- For years, the Boating Safety program was subject to annual appropriations and would only on occasion realize an appropriation. Many times that appropriation fell short of the authorization. The 1984 amendments to the Sport Fish Restoration Act began a change to a predictable annual amount for boating safety and refinements were made in subsequent years.

Why is it important to maintain steady funding from the Trust Funds to state agencies?

- Long-term public trust responsibilities for fish and wildlife; state agency programs; and thousands of state jobs are supported with these funds.
- The Trust Funds protect the nation's economic driver that is hunting, fishing, recreational shooting and boating. According to preliminary information from the 2011 national survey and other studies:
 - **90 million people**, 38% of all Americans over the age of 16 participated in **wildlife-related recreation** in 2011 and spent **\$145 billion**.
 - **50 million Americans** (age 6 and over), nearly 18% of the U.S. population, went **boating** in 2011, which equated to more than **700 million outings** on U.S. waterways. The estimated number of **boats in use** reached **17 million** in 2011, with about half of those boats using outboard motors.
 - **More than 40 million Americans fished recreationally**, spending more than **\$45 billion** and contributing **over \$125 billion** to the nation's economy while supporting more than a **million jobs**.
 - Recent studies show that 15% of the U.S. population, representing **34.4 million people**, go **target shooting** annually.
 - Recreational boating generated **\$30.8 billion** in retail sales in 2009, with more than 572,000 new boats sold.
 - Spending on wildlife-associated recreation **supports thousands of jobs** in industries and businesses connected to fishing, hunting, shooting, boating and the observance of wildlife.
- Although the U.S. has gone through significant economic downturns since the Wildlife and Sport Fish Restoration and Boating Trust Fund laws were passed, sportsmen and women across the country have always been willing to pay a little extra for these items, knowing that it would *directly* support wildlife conservation along with hunting, fishing, recreational shooting, boating and other wildlife-related activities. This user-pay, public-benefit model has, in various forms, been successful for 75 years because of the stability of these trust funds and the protection from their diversion for any use other than what was originally intended.