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TO: Colleagues
FROM: John Kostyack
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RE: Analysis of Wildlife & Natural Resources Provisions in Lieberman-
Warner Climate Change Legislation – Committee Vote This Week

Today, the Senate Environment and Public Works Committee voted to approve S. 2191, the Climate Security Act of 2007 (SCA), introduced last month by Senators Joseph Lieberman (I-CT) and John Warner (R-VA). This is the first time a Senate committee has passed a comprehensive climate change bill -- a landmark step in the national effort to confront global warming. This memo focuses on the portions of the bill that addresses wildlife and natural resources threatened by global warming. My NWF colleagues are distributing information about other key features of the bill.

Important improvements have been made to the wildlife and natural resource provisions of CSA since it was introduced as a result of efforts by the offices of Senators Sheldon Whitehouse (D-RI) and Max Baucus (D-MT) in collaboration with conservation organizations and Senators Warner, Lieberman, and Boxer. The work of Senators Whitehouse and Baucus to secure these improvements is appreciated.

As described below, CSA would provide an unprecedented level of financial resources to the conservation of wildlife and natural resources threatened by global warming. The bill's sponsors are moving forward with this investment in our natural heritage against the wishes of industry groups and others. The conservation community must unite to ensure that Congress follows through with this investment.

Background and Overview

Global warming is the most serious threat to wildlife and wildlife habitats in the U.S. and around the world. Cutting global warming pollution is essential to stave off mass extinctions and major disruptions of ecosystems, but it is not sufficient. Global warming has already begun and substantial additional warming is inevitable due to pollution already released into the atmosphere. Scientists project that this warming will lead to increased sea level rise, intensified storms, floods and droughts, disappearing mountain snowpack and altered stream flows, evaporating lakes and wetlands, and numerous other disruptions.

CSA will enable the U.S. to make major strides in conserving its natural legacy in the face of this inevitable warming. It devotes 18 percent of the proceeds of the auction of emissions permits toward adaptation measures that help U.S. wildlife and natural resources survive global warming. This means that *roughly \$175 billion* will be provided for natural resources conservation during the first 19 years of the cap and trade program (i.e., through 2030). This represents an average investment of \$9.3 billion each year during this initial period alone – an unprecedented commitment to the conservation of our natural heritage for future generations.

This funding will flow directly from the auction of emission permits (called “allowances”) and thus will not be dependent on Congressional action in the annual appropriations process.

Funding Allocations

CSA allocates the auction revenues as follows:

Land and Water Conservation Fund (habitat acquisitions by various federal, state and local agencies)	10 percent ¹
State and territorial fish and wildlife agencies	35 percent
Tribal fish and wildlife agencies	1 percent
Department of the Interior (wildlife programs and lands and waters under DOI’s jurisdiction)	19 percent
Department of the Interior (cooperative grant programs):	5 percent
Forest Service (national forests and grasslands and Wings Across the Americas, a cooperative grant program)	5 percent
EPA (large-scale freshwater aquatic and estuarine ecosystems)	5 percent
Corps of Engineers (large-scale freshwater aquatic and estuarine ecosystems)	10 percent
NOAA (coastal, estuarine, coral and marine species and habitats)	10 percent

Protecting wildlife from global warming is a new field of endeavor for all of the agencies listed above, and thus it would be easy to second-guess this allocation formula. However, CSA’s sponsors should be applauded for recognizing that a wide array of species and habitats is threatened by global warming and for distributing funding to the agencies and programs that have a track record in conserving those species and habitats.

CSA provides a strong definition of the adaptation activities that will be funded. The definition makes clear that to qualify for funds, agencies must design activities that help

1 The LWCF share is capped at \$900 million. If the 10 percent share exceeds \$900M, the excess will be distributed pro rata to other agencies using the bill’s allocation formula. The 10 percent share is not expected to exceed \$900M for at least 12 years after auction revenues first become available in 2012.

with survival of fish and wildlife, fish and wildlife habitats, plants, and associated ecological processes threatened by climate change or ocean acidification. Scientific research and education are among the conservation activities eligible for funding if they support this objective.

Habitat Acquisitions

Acquisition of interests in land (in fee title or conservation easements) and water rights is a crucial tool for helping wildlife survive global warming. CSA dedicates 10 percent of wildlife funding toward habitat acquisitions through the Land and Water Conservation Fund (LWCF). This money is distributed equally to the Interior and Agriculture departments. Each is authorized to spend two-thirds of its share on federal acquisitions. The Interior Department must distribute one-third of its share to states and tribes through a competitive grant program, and the Agriculture Department must distribute one-third of its share to states through the Forest Legacy program.

The remaining 90 percent of the funding in the wildlife subtitle that is not tied to LWCF is also available for habitat acquisitions where appropriate. Agencies have the discretion to target their allocated funds toward habitat acquisitions so long as those acquisitions fall within the definition of adaptation activities funded by CSA and are consistent with adaptation strategies prepared pursuant to CSA (see discussion below).

Private Land Conservation

Although CSA does not create a specific allocation of funds for conservation of wildlife and natural resources on private lands, the bill makes clear that federal and state agencies may use allocated funds to help private landowners conserve wildlife and wildlife habitats. Among the many private land conservation programs highlighted in the bill are the cooperative endangered species conservation fund administered by the Department of the Interior, cooperative programs administered by the Interior and Agriculture departments as part of LWCF, and coastal and estuarine land conservation programs administered by the EPA, the Corps and NOAA.

Tribal Conservation

Federally-recognized tribes, which have sovereign rights to natural resources under the Constitution, treaties and legal precedents, are currently experiencing some of the most dramatic negative impacts of global warming. For example, the natural resources of Native villages in coastal Alaska are severely threatened by melting sea ice and sea level rise, and the disappearance of mountain snowpack could cause Pacific Northwest tribes to lose salmon runs that have been central to their cultures and economies for centuries. CSA begins to address this problem by dedicating 1 percent of auction revenues to tribes for adaptation activities, to be distributed on a competitive basis through the Tribal Wildlife Grants program administered by the Department of the Interior. This amounts to an average of roughly \$93 million each year through 2030.

In addition, one-sixth of the LWCF funds, or roughly \$155 million each year through 2030, will go to states and tribes for adaptation activities. The Interior Department will allocate these dollars among states and tribes through a competitive grant program.

International Conservation

The wildlife subtitle of CSA authorizes federal agencies to contribute to the conservation of non-U.S. wildlife and natural resources threatened by global warming. For example, the cooperative grant money provided to the Interior Department may be used for adaptation activities under the multinational species conservation program, the neotropical migratory bird program, and the Wildlife Without Borders program; funds provided to the Agriculture Department may be used for adaptation activities under the Wings Across the Americas Program; and funds provided to the Commerce Department may be used for ocean conservation.

An important additional opportunity for international conservation is provided by subtitle H of CSA, which provides 5 percent of auction revenues for international adaptation to climate change and development of clean technology. Although this subtitle does not mandate that any portion of these funds be spent on natural resources conservation, it makes clear that funds may be spent to reduce vulnerability to sea level rise, intensified floods and droughts, and other impacts of climate change. Advocates of natural resources conservation will have opportunities to work with recipient countries, the U.S. Agency for International Development, and others to ensure that natural resources are effectively conserved to reduce such vulnerability.

Federal Planning and Scientific Integrity

The adaptation activities of federal agencies qualify for funding under CSA only if they are consistent with an interim national workplan or a detailed national strategy for assisting wildlife and natural resources in becoming more resilient and adapting to the impacts of climate change and ocean acidification. The detailed strategy must be completed within three years of enactment of the bill.

CSA sets forth a host of procedural and substantive requirements for the national strategy. In developing the strategy, the President must consult with states, territories and Indian tribes and solicit input from the public. The strategy must include prioritized goals and measures, and a schedule for implementation, for identifying, monitoring and conserving natural resources threatened by climate change and ocean acidification. The strategy also must describe how federal agencies that receive funding under CSA will integrate the strategy into their natural resources planning and management. Strategies must be updated every 5 years.

A key provision of CSA creates a Scientific Advisory Board (SAB), which will help to ensure the scientific integrity of federal adaptation planning and implementation. Comprised of 10 to 20 scientists recommended by the president of the National Academies of Science and appointed by the Secretary of the Interior, the SAB is charged

with advising the President and federal agencies on the best available science regarding the impacts of climate change and ocean acidification on wildlife and natural resources, adaptation responses, and research needs. The national strategy must utilize the best available science identified by the SAB.

State Planning

Like the federal agencies, state fish and wildlife agencies qualify for funding under CSA only if they have prepared an interim workplan or a detailed strategy. Adaptation activities in the workplan must be consistent with the state's comprehensive wildlife strategy, also known as the State Wildlife Action Plan (SWAP), and the strategy must be incorporated into the SWAP itself. These requirements will help ensure that SWAPs continue to serve as the blueprints for wildlife conservation in the states.

Similar to the national strategy, the state strategy has detailed procedural and substantive requirements designed to ensure broad public and scientific input and integration with other conservation planning. It must be approved by the Secretary of the Interior and (for coastal states) Secretary of Commerce, and like the national strategy, it must be completed within three years of enactment of CSA.

Allocation of Funding to the States

The funding provided to the 56 states and territories will be distributed according to the allocation formula already established for the State Wildlife Grants program. Unlike in the State Wildlife Grants program, which requires states and territories to produce a 50 percent match to be eligible for funding, the bill requires only a 10 percent match. This is in apparent recognition that the large dollar amounts generated by the bill would be difficult if not impossible for most state fish and wildlife agencies to match on a 1 to 1 basis.

Carbon Sequestration

Finally, in a separate subtitle, CSA promotes projects to sequester carbon in forests and soils, projects that often provide on-site benefits for fish and wildlife. The bill prevents the use of destructive invasive species to earn credits for such projects, and it excludes projects that otherwise harm the environment or public health.