

Justification of Uncontrollable and Related Changes (Dollars in Thousands)	2002 Estimate	2003 Change
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<b>Additional Cost in 2003 of January Pay Raises</b>
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<b>2002 Pay Raise</b> <b>2003 Pay Raise - Absorbed</b> <b>2003 Pay Raise - Funded</b> These adjustments are for an additional amount needed in 2003 to fund the remaining 3 month portion of the estimated cost of the, on average, 4.6 percent pay increases effective in January 2002 and the additional costs of funding an estimated 2.6 percent January 2003 pay increase for GS-series employees and the associated pay rate changes made in other pay series. Adjusting for such reforms as delayering organizations, competing work that might more appropriately be done in the private sector, re-examining position grades, and management streamlining will be used to offset a portion of the added costs.	N/A N/A N/A	112 [154] 21
<b>Internal Transfer</b>		<b>Amount</b>
<b>Land Acquisition - Refuges</b> The adjustment reflects the transfer of funds from the Land Acquisition Management program to Refuge Operations for planning functions including pre-planning, public involvement, NEPA and other compliance planning and the development of public and agency documents (Land Protection Plans).		-3,700
<b>Land Acquisition Management</b> The adjustment reflects the transfer of funds from CAM charged to projects in FY 2002 to a separate line in the budget.		-2,500

**LAND ACQUISITION**

Land Acquisition	2002 Estimate	Uncontrol. & Related Changes (+/-)	Program Changes (+/-)	2003 Budget Request	Change From 2002 (+/-)
Land Acquisition Management \$(000)	15,000	-3,567	-2,933	8,500	-6,500
Cost Allocation Methodology \$(000)	[2,995]	+2,500	-	2,500	+2,500
Exchanges \$(000)	1,000	-	-	1,000	-
Inholdings \$(000)	1,500	-	+1,000	2,500	+1,000
Emergencies & Hardships \$(000)	1,500	-	+500	2,000	+500
Federal Refuges/Projects \$(000)	80,135	-2,500	-23,751	53,884	-26,251
<b>Total, Land Acquisition Without CSRS/FEHB \$(000)</b>	<b>99,135</b>	<b>-3,567</b>	<b>-25,184</b>	<b>70,384</b>	<b>-28,751</b>
CSRS/FEHB Proposal \$(000)	721	-	+22	743	+22
<b>Total, Land Acquisition With CSRS/FEHPB \$(000)</b>	<b>99,856</b>	<b>-3,567</b>	<b>-25,162</b>	<b>71,127</b>	<b>-28,729</b>
<b>FTE</b>	<b>165</b>	<b>-</b>	<b>-54</b>	<b>111</b>	<b>-54</b>

## Overview

The Service, through the Land and Water Conservation Fund (LWCF), and other sources, acquires lands, waters and interests therein as authorized by Acts of Congress. The lands are acquired:

- # For conservation, management, and, where appropriate, restoration of ecosystems, fish, wildlife, plants and related habitat; and
- # To provide compatible, wildlife-oriented public use for recreational and educational opportunities.

Emphasis is placed on acquiring important fish and wildlife habitat specifically authorized by Congress and for the conservation of listed, endangered and threatened species; nationally important wetlands; and additions to existing national wildlife refuges. The program focuses on projects that use alternative and innovative conservation tools such as easements, and projects that include the input and participation of the affected local communities and stakeholders.

In FY 2003, the request includes acquisitions totaling \$6,250,000 in support of the Comprehensive Everglades Restoration Plan. The proposed acquisitions at J.N. "Ding" Darling, National Key Deer and Pelican Island National Wildlife Refuges would support the Everglades Restoration Plan and a Multi-Species Recovery Plan (MSRP) that addresses the recovery needs of 68 listed species in 23 natural communities throughout southern Florida. As part of the State of Florida's efforts to conserve the Everglades' ecological integrity and biodiversity, the proposed acquisitions also highlight the Secretary's goal to conserve resources through cooperation, consultation and communication. Other FY 2003 project proposals reflect efforts to preserve endangered species in the Pacific Northwest and important Southwest groundwater and wetlands resources.

Congress and the Administration are both interested in more detailed management and oversight of land acquisition costs, including salaries and operational costs for the Land Acquisition program, and have encouraged the Service to consider ways to increase management efficiencies. In FY 2001, the Service responded by increasing project and overhead accountability in the Federal Financial System (FFS), requiring allocation and tracking to the project level. In FY 2002, further improvements in financial accountability were implemented to more narrowly define the two major components included in Acquisition Management, Land Acquisition Management and Land Acquisition Planning. This management reform will allow the Service to accurately allocate and report FY 2002 activities within the Acquisition Management program.

## Acquisition Management (\$15,000,000)

The Acquisition Management program funds the following two management components of the Land Acquisition program:

**Land Acquisition Management:** The FY 2002 Land Acquisition Management component supports the following key functions:

- # All realty staff salaries and benefits as well as other staff who are directly associated with the Land Acquisition Management program
- # Incidental costs required to manage an acquisition program such as contract management for appraisals, surveys, and title work; and the closing costs for unfunded projects such as donations

and transfers from other federal agencies when carried out by in-house staff

- # Program administrative costs including travel, supplies, training, equipment and similar costs, and,
- # Cost Allocation Methodology (CAM) charges of \$493,764 above the FY 2002 Congressional cap of \$2.5 million allowed to be charged to individual land acquisition projects.

The land acquisition process, from initial planning to the actual acquisition, may take anywhere from two to five years to complete. The flow chart shown later depicts the steps and approximate length of time involved in the land acquisition process. These steps are:

- # Pre-acquisition compatibility determinations
- # Project nomination process
- # Compliance with other federal and state laws
- # Processing projects in the Land Acquisition Priority System (LAPS)
- # Budgeting and financial responsibilities
- # Title work, appraisals, appraisal review, mapping surveys, contract administration, contaminant surveys, negotiations, closing/recording deeds, relocation of people/business
- # Post-acquisition management (including: developing policy and responding to external inquiries, etc.), and
- # Clerical support and other indirect effort (e.g., general training).

### **FY 2002 Planned Activities**

The Land Acquisition Management program received \$10,345,852 in FY 2002. Planned activities include:

- # Capitalize on economies that can be obtained by contracting commercial activities such as appraisals, cartography and surveys.
- # Reduce on-board realty staff and related staff salaries and benefits to 129 FTE by October 1, 2002.
- # Continue to allocate and track to the project level the obligation of land, overhead and incidental costs in the Federal Financial System, and
- # Incorporate land acquisition management reform as a critical performance element in the Service's supervisory performance standards at the highest levels in headquarters, regional offices and the field.

### **FY 2003 Planned Accomplishments**

- # Continue to emphasize programmatic right-sizing by competitively sourcing commercial activities such as appraisals, cartography and surveying
- # Reduce on-board realty staff and related salaries and benefits to 111 FTE by October 1, 2003, and,
- # Continue to allocate and track to the project level the obligation of land purchase price and other allowable project costs (contract costs of title, closing, surveying, mapping activities,

environmental assessments, appraisals and relocation benefits) in the Federal Financial System.

**Land Acquisition Planning:** Within the Acquisition Management account, the Land Acquisition Planning component for FY 2002 supports the following key functions:

- # Base staff salaries/benefits for acquisition planning staff
- # Acquisition studies for new projects
- # Planning for additions to existing areas
- # Planning miscellaneous boundary modifications
- # Studies of environmental impacts of land protection actions and environmental compliance, and,
- # Coordination of actions with the public, private organizations, landowners and other public agencies to preserve valuable habitat.

A Preliminary Project Proposal (PPP) is prepared for most acquisition proposals for new refuges or additions to existing refuges. The PPP provides an executive overview of the area's total long-term management and biological and ecological needs and considers how it fits into landscape-level plans and the strategic growth of the National Wildlife Refuge System. A Land Acquisition Priority System (LAPS) analysis that accompanies the PPP is one factor used in the decision-making process.

The LAPS is a numerical ranking system, used since 1987, that compares and ranks LWCF land protection projects and builds the annual land acquisition budget request. It helps compare the "best of the best" and establish land protection priorities among the most important habitat conservation projects and legislated responsibilities. Development of the current components and criteria began in January, 1998, and with Directorate approval, they were used to establish an interim list of biological priorities for the 2002 budget.

The current system is based on Service objectives for trust resources and legislated responsibilities. Biological priorities are generated using a compilation of 850 possible points assigned to a comprehensive series of questions. The questions and the points assigned were developed to qualify, quantify, and rank Service land protection projects for budget development purposes. The system is composed of a project summary (50 points) and four 200 point components: fisheries and aquatic resources, endangered and threatened species, bird conservation, and ecosystem conservation.

Once the PPP is approved by the Director, the region initiates detailed planning as appropriate. In broad terms, the detailed planning process includes:

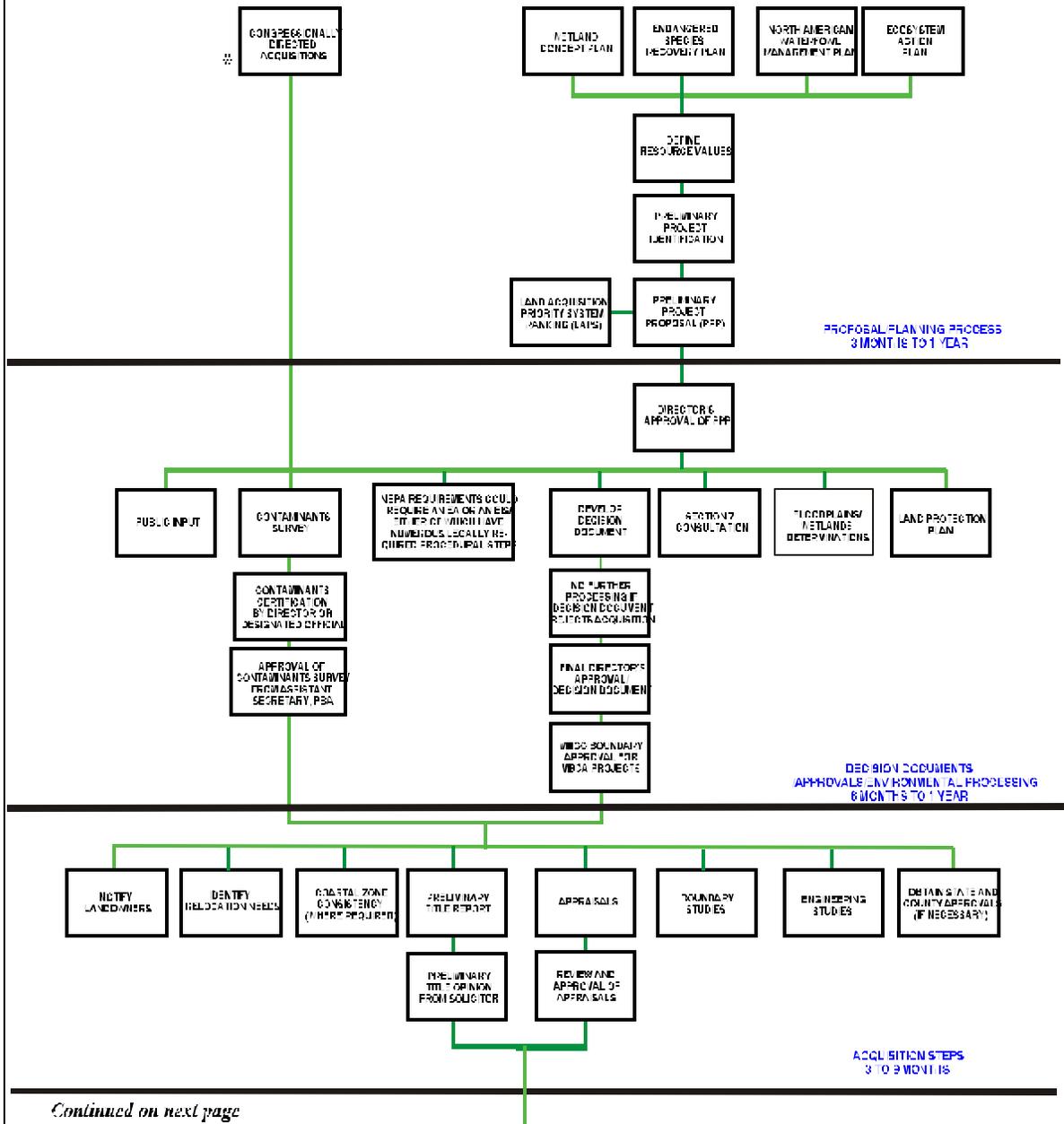
- # Clearly identifying the purpose or need for the action (defining objectives)
- # Establishing a series of alternatives, any one of which could in some significant degree solve the problem or meet the objectives
- # Identifying the possible consequences or impacts of each alternative, and
- # Determining if the proposed action complies with existing laws, policies, Executive Orders, and other mandates including the *National Environmental Policy Act* (NEPA), the *Endangered Species Act*, and contaminants surveys.

There are several opportunities for public participation and input, an important part of the land acquisition planning process. Our land acquisition policy requires us to develop a Land Protection Plan (LPP) during detailed project planning. The LPP provides concise and clear public information that

U. S. FISH AND WILDLIFE SERVICE DIVISION OF REALTY

ACQUISITION PROCESS FOR MONETARY PURCHASES OF FEE AND LESS THAN FEE INTERESTS

DOES NOT INCLUDE NUMEROUS ADDITIONAL LEGALLY MANDATED STEPS REQUIRED TO PROCESS EXCHANGE ACTIONS. ALL TIME FRAMES CITED ARE AVERAGE TIMES FOR ROUTINE CASES. SOME TIME FRAMES RUN CONCURRENTLY/OTHERS CONSECUTIVELY.

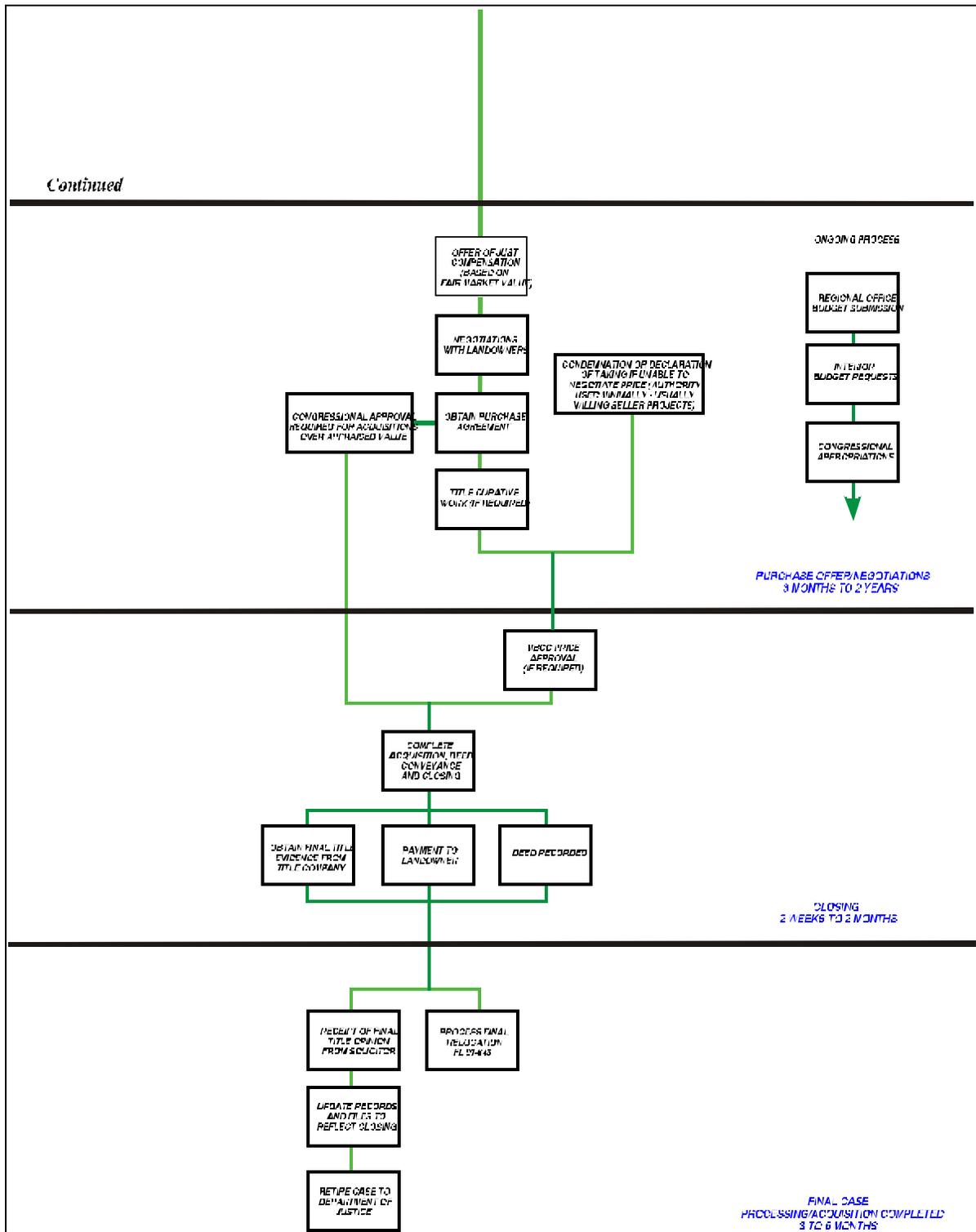


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\* This category covers only the very few instances where the Service is going to the Division by Congress through an Act to acquire, in specific, property or rights. Not to be confused with congressional authorized projects that come through an Act or the regular appropriations process, which do require all planning steps to be completed.

# LAND ACQUISITION

Continued



outlines the resource protection needs, implementation schedule and priorities, and dimensions of Service preservation proposals. It includes information such as project description, threat to or status of the resource to be protected, proposed action and objective, protection alternatives, coordination, and socio-cultural impacts.

A draft LPP, distributed to all landowners and interested public organizations, officials, and individuals, may be revised based on public comments and updated information. Such information not only informs landowners and the public of Service plans, but can also reduce public speculation and eliminate misunderstanding of Service acquisition initiatives. However, it does not obligate the Service or the landowner to implement any recommended land protection measures. Rather, it is a management tool to guide refuge land protection activities and provide a framework for refuge and private landowner cooperation.

Upon completion of the detailed planning process, a decision is needed to determine whether or not to proceed with the land acquisition document. If the decision supports the acquisition, a decision document, which is essentially the compilation and consideration of all documentation completed during the detailed land acquisition process, is prepared. This includes a core report or NEPA document; certification of compliance with laws, policies, etc.; supplemental reports; and the Land Protection Plan.

### **FY 2002 Planned Activities**

The Land Acquisition Planning program received \$4,160,384 in FY 2002. Planned activities include working on an estimated 35 PPPs and 57 decision documents; and streamlining the planning program and reduce on-board planning staff to 46 FTE by the end of FY 2002.

### **FY 2003 Planned Accomplishments**

The Service is proposing to transfer \$3,700,000 from Land Acquisition Planning to Resource Management, including pre-planning, public involvement, NEPA and other compliance planning, and the development of public and agency documents (Land Protection Plans). The proposed transfer includes \$3,200,000 from Land Acquisition Management and \$500,000 in Cost Allocation Methodology (CAM) funding. This level reflects a \$526,000 reduction from the streamlining plan endorsed by the Appropriations Committees in 2002, to focus resources on existing refuges as well as some efficiencies based on consolidating funding of the planning functions with other refuge planning activities. A list of specific FY2003 planning projects is found in the Refuge Operations section.

**Exchanges (\$1,000,000)** Supports planned land exchanges by providing a portion of the related acquisition costs, including appraisals, and coordination of activities with other federal agencies, state and local governments and private landowners. Land exchanges promote conservation through local cooperation and consultation, provide alternatives to direct purchase with appropriated land acquisition funding, and support cost-effective acquisitions. Listings of land exchanges that occurred in FY 2001 and planned for FY 2002-2003 are provided in separate tables.

**Inholdings (\$1,500,000)** Supports acquisition opportunities on projects (generally acquisition of small parcels within a refuge boundary) that do not have an active land acquisition program and for which funds would likely not be requested as a budget item.

**Emergencies and Hardships (\$1,500,000)** Supports unscheduled acquisition opportunities on projects when there are valid reasons for immediate acquisition of the property. These acquisitions are

## LAND ACQUISITION

justified on a case-by-case basis for reasons that may include, but are not limited to, financial hardship of the landowner or imminent destruction of the resource.

**Federal Refuges/Projects (\$80,135,000)** Supports acquisition of land and water and interests through fee title, easements, leases and other interests. Acquisitions serve to:

- # Protect nationally important wetlands, fish, wildlife and plant habitat
- # Provide for preservation and recovery of listed, endangered and threatened species and other important wildlife and plant species, and
- # Provide for public use and enjoyment.

Workload Indicators	2001 Actual	2002 Estimate	2003 Estimate
Protected Acres	67,537	70,259	50,932

### Justification of Program Changes

(Dollars in Thousands)

Program/Initiative	2003 Budget Request	Internal Transfers (+/-)	Program Changes (+/-)
Land Acquisition Management	8,500	-3,700	-2,933
Cost Allocation Methodology	2,500	+2,500	-
Inholdings	2,500		+1,000
Emergencies and Hardships	2,000		+500
Federal Refuges/Projects	53,884	-2,500	-23,751

**Relationship to Performance Goals -** This request directly supports the GPRA Annual Performance Goal 2.1.1 to support fish and wildlife species populations objectives by acquiring key refuge habitat from willing sellers. Through addition of acres to the National Wildlife Refuge System, the acquisition program primarily supports habitat conservation Performance Measure 3 to add new lands to the system that promote the habitat needs for Service trust resources. FY 2003 acquisitions also support sustainability goals 1.1.1 (migratory bird populations); 1.2.1 (endangered and threatened species); 1.3.1 (interjurisdictional fish); 3.1.1 (wildlife-dependent recreational visits); and 4.1 (fish and wildlife assistance to tribes).

**Land Acquisition Management (-\$2,833,000)** The proposed program reduction of \$2,833,000 carries significant changes for reform of the management of the Service's institutional activities long associated with the purchase of land for the federal trust, pro-actively pursuing programmatic right-sizing, and increasing financial accountability.

This reduction will emphasize competitive sourcing of commercially available functions. The Service currently performs a number of functions that could be competitively sourced, including real estate appraisals, surveys of real property, land title and abstracting, escrow, and cartography. We estimate that the number of FTE in the Land Acquisition account will be reduced from 144 to 111 by the end of FY 2003. A substantial portion of these FTE could be competitively sourced from the private sector as employees currently performing these functions leave through attrition.

Competitively sourcing this work would create management efficiencies, such as increased flexibility to respond to the fluctuations in funding that are experienced in the land acquisition program. In those years that funding is above average, the program will flex to meet the workload by increasing contracts for appraisal and surveys. Conversely, when funding is below average, the number of contracts should be reduced, resulting in a downsizing of the program.

Consistent with FY 2002 Appropriations Committee guidance, to the extent work previously performed by in-house staff is contracted, these costs will be charged against projects. The realty program will meet FY 2002 congressional right-sizing directives. Current realty program positions likely to be targeted include cartographers, surveyors and appraisers. Increased financial accountability by limiting non-realty staff salaries charged to this account will also improve use of funds.

**Travel and Transportation (-\$100,000)** This request includes a reduction of \$100,000 for travel and transportation, to be accomplished by curtailing unnecessary travel and relocation costs, as well as increased teleconferencing and use of central meeting locations.

**Land Acquisition Planning (-\$3,700,000)** The FY 2003 budget request proposes to move the planning function required to acquire lands to the new National Wildlife Refuge System activity in Resource Management. The concomitant cost of this function will be \$3.7 million; this will be a \$526,000 reduction from the streamlining plan endorsed by the Appropriations Committees in FY 2002, and a transfer of staff. The planning staff will narrow its focus on new refuges and the preliminary planning process will be restrained. The land acquisition planning functions include pre-planning, public involvement, NEPA and other compliance requirements and the development of public and agency documents. The transfer includes \$500,000 for estimated CAM costs.

**Cost Allocation Methodology (+\$2,500,000)** In FY 2001, the Service instituted a Cost Allocation Methodology (CAM) to distribute general business operating costs consistently to all programs and appropriations based on actual use (see General Operations for a more detailed description). Consistent with congressional direction, this request reflects the prohibition from charging CAM to projects and proposes to establish a separate line item for these costs. The assessment charged to the Land Acquisition program in FY 2002 was \$2,993,764. Of this amount, \$2,500,000 (as capped by Congress) was charged to projects, and \$493,764 was charged to Land Acquisition Management. The new line item proposed in the FY 2003 will be funded at the \$2.5 million level, which reflects a \$500,000 reduction attributable to the planning transfer discussed above.

**Inholdings (+\$1,000,000)** The Service requests an additional \$1,000,000 to capitalize on opportunities to acquire about 1,000 acres within existing refuge boundaries, as they become available. As these tracts unscheduled for project acquisition appear on the market, the Service can work quickly with willing sellers to consolidate existing refuge boundaries, resulting in more efficient management of refuge lands, and better habitat management, restoration activities and public use programs. The acquisition of inholdings can reduce management problems and reduce impacts to private landowners.

**Emergencies and Hardships (+\$500,000)** The Service requests an additional \$500,000 to acquire approximately 500 additional acres of land on projects when there are valid reasons for immediate acquisition of the property. These acquisitions are frequently initiated by local landowners and may relieve financial hardship as well as provide critical resource protection.

**Federal Refuges/Projects (-\$23,751,000)** Funding for projects is reduced to reflect a \$2,500,000 transfer to Cost Allocation Methodology (CAM) as discussed above and a \$23,751,000 program reduction. The Service requests a total of \$53,884,000 for 52 projects to bring about 50,000 acres of lands and interest in lands into the National Wildlife Refuge System. The program reduction reflects an emphasis on the need to balance land acquisition against maintaining lands already under our jurisdiction. Realty staff will be better able to concentrate work activities on previously funded projects with unobligated balances. Within the proposed \$53,884,000, the Service has targeted key conservation initiatives for the Florida Everglades and other nationally significant areas. The estimated O & M costs associated with proposed 2003 LWCF acquisition in the aggregate are \$439,040. These projects further the Service's annual performance goals, including:

- # 1.1.1 By September 30, 2003, about 9 percent or 22/254 migratory bird populations of management concern (for which adequate population information is available) demonstrate improvements in their population status from baseline year.
- # 1.2.1 By September 30, 2003, 376 species of the 792 (approximately 47%) listed under the *Endangered Species Act* as endangered or threatened a decade or more are either stable or improving, five species are delisted due to recovery, and listing of three species at risk is made unnecessary due to conservation agreements.
- # 1.3.1 By September 30, 2003, three depressed interjurisdictional native fish populations are restored to self-sustaining or, where appropriate, harvestable levels (based on applicable management plans).
- # 2.1.1 By September 30, 2003, meet the identified habitat needs of the Service lands by annually improving or enhancing 3.5 million acres of refuge habitat and restoring 171,752 acres of refuge habitat within the refuge boundaries.
- # 3.1.1 By September 30, 2003, interpretive, education, and recreational visits to National Wildlife Refuges and National Fish Hatcheries increased by 4 percent over the previous year.

A table classifying how these projects fulfill these goals follows:

Annual Performance Goals for Proposed FY 2003 Acquisitions							
FY 2003 Budget Request (\$ Millions)							
Rank	Project	1.1.1	1.2.1	1.3.1	2.1.1	3.1.1	Total
1	Upper Mississippi River NFWR				0.250		0.250
2	Cache River NWR	2.000					2.000
3	Great River NWR				2.000		2.000
4	Pond Creek NWR	1.000					1.000
5	Northern Tallgrass Prairie NWR				1.000		1.000
6	St. Marks NWR			2.000			2.000
7	Big Muddy NFWR				2.000		2.000
8	J. N.Ding Darling NWR		3.000				3.000
9	White River NWR	0.500					0.500
11	Dakota Tallgrass Prairie WMA				1.000		1.000
12	Big Branch Marsh NWR				0.250		0.250
12	Bayou Sauvage NWR				0.250		0.250
13	Silvio O. Conte NFWR				1.000		1.000
14	San Diego NWR		2.024				2.024
15	Lower Suwannee NWR			1.500			1.500
16	Laguna Atascosa NWR		1.500				1.500
17	San Joaquin River NWR		2.500				2.500
19	Lower Rio Grande Valley NWR				1.000		1.000
20	Lower Hatchie NWR	0.500					0.500
20	Chickasaw NWR	0.500					0.500
21	Willapa NWR				0.750		0.750
22	Charles M. Russell NWR				1.000		1.000
23	Trinity River NWR				0.500		0.500
24	Yukon Delta NWR	0.500					0.500
25	Back Bay NWR	2.000					2.000
26	Ottawa NWR	0.500					0.500
27	Edwin B. Forsythe NWR	2.250					2.250
28	Sacramento River NWR		0.500				0.500
29	Togiak NWR			1.000			1.000
30	Western Montana Project				0.750		0.750
33	Buenos Aires NWR		0.750				0.750
34	Waccamaw NWR				0.750		0.750
36	National Key Deer Refuge		1.500				1.500
37	Cypress Creek NWR				0.250		0.250
44	Alligator River NWR				0.700		0.700
49	Patoka River NWR				0.250		0.250
51	San Bernard NWR (Austin's Woods)				0.750		0.750
52	Balcones Canyonlands NWR		1.500				1.500
55	North Dakota WMA				0.500		0.500
59	Bandon Marsh NWR			0.140			0.140
59	Nestucca Bay NWR			0.110			0.110
59	Siletz Bay NWR			0.500			0.500
73	Pelican Island NWR				1.750		1.750
74	Prime Hook NWR	0.400					0.400
78	Rappahannock River Valley NWR				0.180		0.180
91	Boyer Chute NWR					0.130	0.130
112	Minnesota Valley NWR				0.500		0.500
115	Wallkill River NWR	0.200					0.200
126	Neal Smith NWR					0.250	0.250
142	Crane Meadows NWR	0.250					0.250
NR	Quinault Indian Reservation				5.000		5.000
NR	Baca Ranch					2.000	2.000
	TOTAL	10.600	13.274	5.250	22.380	2.380	53.884

**CONGRESSIONAL DIRECTIVES**

**REQUEST FUNDS FOR INDIVIDUAL REFUGES:** *Directive:* “The managers direct the Service to make land acquisition requests for individual refuge units, rather than the current practice of making requests at the refuge complex level.” (House Report 107-234)

*Response:* In FY 2003, the Service is budgeting for land acquisition by individual refuge units. The budget will not contain any requests for land acquisition funding at the complex level.

**LAND ACQUISITION FOR VISITOR / INTERPRETIVE CENTERS:** *Directive:* “None of the funding provided for land acquisition shall be used to acquire land for the placement of a visitor/interpretive center, without specifically identifying this purpose in the budget justification for both the land acquisition and construction accounts.” (House Report 107-234)

*Response:* The FY 2003 land acquisition and construction budget justifications will both specifically identify funding to be used for the purpose of acquiring land for the placement of a visitor / interpretive center so the requests can be matched. The FY 2003 budget request does not include any land acquisition projects for visitor centers.

**YAUHANNAH PROPERTIES, INC.:** *Directive:* “The managers have included bill language authorizing the purchase of common stock of Yauhannah Properties, Inc. The managers understand that the Yauhannah Properties, Inc. sole holding is property within the boundary of the Waccamaw National Wildlife Refuge, and they are only making the property available through the sale of common stock. Therefore, the managers are aware that it may be necessary for the Service to acquire this parcel by purchasing the common stock. The managers note that this purchase presents a number of complexities outside the Service’s expertise, including potential tax implications. The managers expect that the Service should not assume any Federal, State, or other jurisdiction tax liability by acquiring this property through the purchase of common stock. The managers also expect that the purchase of common stock should only occur if the United States does not assume any material unanticipated liabilities or assume any additional liability or expense than it would otherwise assume if the underlying property were acquired.” (House Report 107-234)

*Response:* The Service will be considering the acquisition subject to the concerns expressed by the Committee with regard to liabilities. The real estate holdings of the company have been appraised. An accounting firm will use the real property valuation, along with other asset values and debts, to estimate the value of the company. This will ensure the United States does not assume any financial liabilities in the purchase of the Yauhannah Properties stock.

**REDUCTION IN FTE LEVELS:** *Directive:* “The managers continue to be concerned about the Service’s land acquisition budgeting and its land acquisition policy. In response to continuing oversight by the Appropriations Committees, the Service has developed a proposal to streamline staffing and to reform its approach to land acquisition budgeting and program implementation. The managers expect the Service to implement its proposal to reduce staffing from the current FTE level of 198 to 156 FTEs by October 1, 2003. The Service should make much greater use of contract resources for appraisals, cartography and surveying associated with land acquisition. The practice of refuge personnel and endangered species personnel charging costs to land acquisition should be terminated unless there are

reimbursable agreements in place.” (House Report 107-234)

*Response:* In FY 2001, the Service began working to develop and implement a process to enhance financial accountability and to implement project management within the Division of Realty. As a part of this process, the Service began to require obligation of both land and overhead/incidental costs in the Federal Financial System to allocate and track dollars to the project level. The Division of Realty is currently developing a system for better project management.

The Service will achieve its goal to reduce staffing in the land acquisition program to 156 FTEs by October 1, 2003. In light of the requirement to reduce staffing, the Acting Director on July 26<sup>th</sup> implemented a freeze on all hiring of positions in the realty and acquisition planning areas. The Service is also taking steps to insure that the Division of Realty takes advantage of economies that can be obtained by competitively sourcing commercial activities such as appraisals, cartography and surveying. The Service will stop refuge personnel and endangered species personnel from charging costs directly to land acquisition. We will have written agreements that provide for reimbursement to those programs that provide needed services to the land acquisition program. In summary, the Service is taking the necessary steps to achieve its goal of reducing the number of FTEs charged to the Land Acquisition program and to provide for better financial accountability and project management.

**COST ALLOCATION METHODOLOGY:** *Directive:* “Provided, That none of the funds appropriated for specific land acquisition projects can be used to pay for any administrative overhead, planning or other management costs except that, in fiscal year 2002 only, not to exceed \$2,500,000, may be used consistent with the Service’s cost allocation methodology...”. (H.R.2217, P.L. 107-263)

*Response:* CAM charges to the Land Acquisition program for FY 2002 total \$2.993 million. \$2.5 million of these costs were distributed to project appropriations based on each project’s proportional share of charges determined by the Division of Finance. The additional \$493,764 was charged to Acquisition Management.

**LAND ACQUISITION PLANNING and CAM SEPARATE LINE ITEM:** *Directive:* “ The managers expect the Service to identify clearly its land acquisitions planning requirement in the fiscal year 2003 and future budget requests and to justify fully those requirements as a separate line item in the land acquisition or resource management account. Likewise, any overhead cost allocation should be minimized and justified fully as a separate “cost allocation methodology” line item in the land acquisition account.” (House Report 107-234)

*Response:* The Service will submit a list of proposed land acquisition projects (new refuges and refuge expansions) in the FY 2003 budget request. Acquisition planning funding will be moved to the resource management account as a separate line item. CAM will be included as a separate line item in the land acquisition account.

**LAND ACQUISITION PLANNING PROJECTS and REPORTING:** *Directive:* “The managers expect the Service to report semi-annually on progress in implementing its land acquisition streamlining proposal and to achieve the October 1, 2003 staffing goals sooner than that date due to the maximum extent practicable. The first progress report is due no later than February 1, 2002. Also, the managers strongly support the policy requiring Director approval of any refuge boundary expansion and expect the Service to justify any such approvals in the semi-annual report.” (House Report 107-234)

*Response:* The Service’s progress in implementing its land acquisition streamlining is described in the

budget justification.

**SUPERVISORY PERFORMANCE STANDARDS:** *Directive:* “Land acquisition reform should be incorporated as a critical performance element in the Service’s supervisory performance standards at the highest levels in headquarters, regional offices, and the field. This performance element should be taken very seriously within the Service and the semi-annual reports to the House and Senate Committees on Appropriations should address specifically management performance on this element. The managers remind the Service that land acquisition reform should not be limited to implementing the Service’s streamlining proposal. It should also apply to the individual managers’ responsibility to adhere to the Service’s land acquisition prioritization process and not operate as a “free agent” in support of specific land acquisition proposals outside that process.” (House Report 107-234)

*Response:* Effective implementation of land acquisition reform includes adherence to action items stipulated in the Service streamlining proposal and to the Service’s land prioritization process while preventing Service employees from acting as free agents in the support of specific land acquisition proposals outside that process. Each Regional Director is entering into a “Land Acquisition and Planning Contract” with the Director to achieve specific FTE, spending, and position goals in FY 2002 in response to FY 2002 Appropriations Report Language and the President’s Management Agenda. This contract will be considered to be part of this performance element and the requirements of the contract must be completed to achieve the performance element.

**CCP CAUTION:** *Directive:* “Finally, the managers caution the Service that its refuge-specific comprehensive conservation plans are raising unrealistic expectations, both within and outside the Service, with respect to future land acquisition, construction, and operations and maintenance funding availability. The managers expect the Service to place a clear and realistic statement in the front of each comprehensive conservation plan stating that such plans detail program planning levels that are substantially above current budget allocations and, as such, are for Service strategic planning and program prioritization purposes only. Such plans do not constitute a commitment for refuge boundary expansions, staffing increases, or funding for future refuge-specific land acquisitions, construction projects or operational and maintenance increases.” (House Report 107-234)

*Response:* The Service is preparing a memorandum from the Director that requires the following language to be placed in each comprehensive conservation plan: “This plan details program planning levels that are substantially above current budget allocations and, as such, are for Service strategic planning and program prioritization purposes only. Such plans do not constitute a commitment for refuge boundary expansion, staffing increases, or funding for future refuge-specific land acquisitions, construction projects or operations and maintenance increases.” A draft memorandum providing the CCP cautionary language modified from above is being reviewed by the Regions.

**ESTABLISHING A NEW UNIT OF THE NATIONAL WILDLIFE REFUGE SYSTEM:** *Directive:* “that notwithstanding any other provision of law the Secretary of the Interior may not spend any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System unless the purchase is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in Senate Report 105-56.”

*Response:* This is a continuation of language contained in previous years Land and Water Conservation Fund appropriations. The Service will continue to comply with this language as it has in previous years.

