

FEDERAL PARKS & RECREATION BULLETIN #10: October 22, 2007

Dear Subscriber:

This is a bulletin from Federal Parks & Recreation newsletter that reports on the following:

* NPS CENTENNIAL CHALLENGE MONEY MAY BE AT HAND, FOR A PRICE

NOTE: This bulletin is a supplement to your regular edition of Federal Parks & Recreation. It is NOT your regular issue. The next issue will be published November 2.

The Editors

NPS CENTENNIAL LEADERS MAY BE CLOSE TO FUNDING SOURCE

The Interior Department and House Natural Resources Committee leaders are attempting to negotiate an agreement on specific sources of money to pay for a \$100 million per year NPS Centennial Challenge program, *FPR* has learned.

No deal is on paper and discussions are continuing in preparation for a possible November 7 mark-up of a Centennial Challenge bill in the House committee. But a working paper that all parties are aware of would pay for the program from these three sources of money, all with some weakness:

One, \$23.3 million in fiscal 2008 (and rising in out years) from a \$1,866 fee for each application for permit to drill on oil and gas lessees on public lands. The energy industry has fought this proposal for decades because companies say they already pay at the store with more than \$4 billion per year to federal and state governments in oil and gas royalties.

Two, \$41 million in fiscal 2008 (and rising in out years) from a two percent deduction on the state share of oil and gas royalties from public lands development. Western states are highly dependent on their 50 percent share of onshore oil and gas royalties (\$2 billion per year) and won't willingly give up more than \$41 million per year.

Three, \$50 million in fiscal 2008 and in out years from the cancellation of an ultra-deepwater oil and gas research program in the Department of Energy.

If it is brought off, an agreement would help Congress and the administration overcome the single biggest barrier to a Centennial Initiative designed to upgrade the National Park System by its 100th anniversary in 2016. And that barrier is money.

As originally drafted, the lead bill (HR 3094) that is tentatively penciled-in for mark-up up November 7 in committee would pay the \$100 million tariff by imposing new fees on commercial users and lessees of public lands. But that provision is considered a marker at best and a nonstarter at worst. House Natural Resources Committee Chairman Nick Joe Rahall (D-W.Va.) and subcommittee on National Parks chairman Raúl Grijalva (D-N.M.) are the principal sponsors of HR 3094.

The Bush administration, the originator of the Centennial Initiative idea, has developed its own bill (S 1253, HR 2959) that would pay for the Centennial Challenge with \$100 million per year in guaranteed off-budget funding matched by up to \$100 million per year in contributions from non-federal partners. However, Rahall and Grijalva have criticized important provisions of that bill, such as the prominent role it would assign private interests in national park matters.

The \$200 million per year in the Bush bill would be allocated to the Centennial Challenge for non-core operations projects. The third leg of the initiative consists of an additional \$100 million per year of appropriations for core projects. Congress is well on the way to approving appropriations for core projects in a fiscal year 2008 Interior and related agencies money bill (HR 2634.)

As introduced, the lead Democratic House bill, however, barely acknowledges a role for partners. That could change because a broad coalition of interest groups has recommended revisions to HR 3094 that would give a prominent role to partnership payments.

That could be crucial to the success of both the Centennial Challenge and the Centennial Initiative because the Interior Department as of August had already identified \$301 million worth of contributions. The Park Service had also identified \$364 million worth of projects for fiscal years 2008 and 2009. Icon parks would receive 19 percent of the money, large parks 35 percent and small parks 18 percent.

The discussions centering around revenue sources for the Centennial Challenge has reportedly been conducted by top Interior Department officials with both Democratic and Republican leaders of the House Natural Resources Committee.

As envisaged by negotiators, the \$100 million per year from the three energy sources would not preclude the Park Service from accepting partnership pledges. Those pledges would effectively supplement the \$100 million per year.

Meanwhile, the National Park Foundation held a leadership summit October 15 and 16 that focused on partnerships. It is understood the foundation may be willing to play a major, substantive role in the Centennial Challenge as a conduit between philanthropists and the Interior Department.

While the House Natural Resources Committee is taking the lead in writing a Centennial Challenge bill, Sen. Pete Domenici (R-N.M.) will play a major role in deciding what funding instruments HR 3094 uses. That's because Domenici, ranking Republican on the Senate Energy Committee, is a powerful ally of the energy industry that HR 3094 would borrow from.

When he was chairman of the Senate Energy Committee in 2005, Domenici was the lead architect of an Energy Policy Act of 2005 (EPACT, PL 109-58 of Aug. 8, 2005) that HR 3094 supporters would raid. His assistance will almost certainly be necessary to pay for the Centennial Challenge with energy industry and state money.

We'll have much more on the Centennial Challenge in the next issue of *FPR*, including the reaction of western states and the energy industry.

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