

**Statement of
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U.S. Department of the Interior
Senate Energy and Natural Resources Committee
Subcommittee on Public Lands and Forests
S. 3085, the Cooperative Watershed Act of 2008
July 16, 2008**

Mr. Chairman and members of the Subcommittee, I am pleased to provide the Department of the Interior's views on S. 3085, the Cooperative Watershed Management Act of 2008. The Administration believes current programs address some of the purposes of this bill and would like to review its various programs with the sponsors; however, because of the concerns outlined below, the Administration cannot support the bill.

This legislation would authorize \$199 million to provide grants to create a new Cooperative Watershed Management Program (Program) that would facilitate cooperative watershed management groups (Groups). Participation in the Program would be subject to eligibility criteria, and these Groups would be made up of a broad cross section of stakeholders within a given watershed and include tribes and any federal agencies with authority in the watershed, including the United States Department of Agriculture, the Department of the Interior, and the Department of Commerce (through the National Oceanic and Atmospheric Administration).

The legislation would require DOI, within one year of the legislation's enactment, to establish an application process for which an eligible entity would apply for a grant. S. 3085 also would require DOI to establish criteria that would determine if a management entity was eligible for a grant. S. 3085 also proposes implementing this program in three separate phases. The first phase seeks to provide funding as a way of increasing or establishing membership in the various management groups, develop a mission statement for the group, and develop project concepts. The second phase is designed to provide grants to eligible management groups to conduct watershed management projects. Finally, the legislation envisions a third phase that would enable management groups that have completed the requirements of the second phase and demonstrated demonstrable improvements in the functioning condition of at least one river or stream in the watershed to receive multi-year funding.

There are a multitude of groups of various forms with watershed management interests. The groups are generally grass roots in nature and structured to meet local needs. Interior agencies participate in and support watershed groups as appropriate to their local jurisdiction.

The Department has several concerns with S. 3085. While grant funding as in S. 3085 would benefit certain of these groups, implementation of this bill would have to compete for funds with other ongoing federal projects. Also, the Federal cost share commitment – which can range from 50 percent to 100 percent – could leave the Federal government as the primary source of funding for these watershed projects.

Furthermore, the Department's Water for America initiative contemplates an increased role for Interior agencies working at the watershed level with urban, rural, and agricultural water users to stretch existing water supplies and carry out measures to protect endangered species at high-risk watersheds, thereby averting water crises. The President's FY 2009 Budget included \$21.3 million for the Water for America initiative.

In addition, the Department's Cooperative Conservation Enhancement Act (S. 2231), introduced by Senator Bingaman on behalf of the Administration, would among other things, authorize grants and cooperative agreements for funding up to 50% of the costs of planning, designing, or constructing improvements for water conservation and use purposes. The Department, through the U.S. Fish and Wildlife Service, also provides financial support to implement the National Fish Habitat Action Plan, a state-led investment strategy that fosters local and regional partnerships, which mirror the watershed management groups envisioned by S. 3085. S. 2231 also would clarify existing partnership and cooperative agreement authorities while reducing administrative barriers.

The Department is well aware of the challenges western water users are facing as a result of drought and increased demand for limited water resources. Further, we agree that many of the best solutions to the challenges faced by individual watersheds come from the local level. Toward resolving these problems, Interior agencies have subject matter experts on the ground in these watersheds, and, Reclamation in particular, are working with local entities to address short- and long-term water challenges. We remain concerned, however, that the new program would compete with existing funding for ongoing projects, and could be duplicative of those efforts.

The Department understands the importance of continuing its coordination and participation with local watershed groups and is continuing to explore options that will provide significant benefits to the water users and public. Thank you for the opportunity to present the Department of the Interior's views on this legislation.