

84114
In 8/13
W 29/19

WATER PROJECT RECREATION ACT

Y 4
. In 8/13
W 29/19

HEARING BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

S. 1229

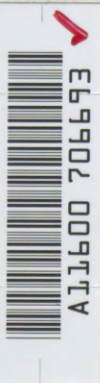
A BILL TO PROVIDE UNIFORM POLICIES WITH RESPECT TO RECREATION AND FISH AND WILDLIFE BENEFITS AND COSTS OF FEDERAL MULTIPLE-PURPOSE WATER RESOURCE PROJECTS, AND TO PROVIDE THE SECRETARY OF THE INTERIOR WITH AUTHORITY FOR RECREATION DEVELOPMENT OF PROJECTS UNDER HIS CONTROL

MARCH 23, 1965

Printed for the use of the Committee on Interior and Insular Affairs



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1965



2/1/82
2/8/82
2/1/82

W 50/10
2/8/82
44

902717A 388839

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HENRY M. JACKSON, Washington, *Chairman*

CLINTON P. ANDERSON, New Mexico
ALAN BIBLE, Nevada
FRANK CHURCH, Idaho
ERNEST GRUENING, Alaska
FRANK E. MOSS, Utah
QUENTIN N. BURDICK, North Dakota
CARL HAYDEN, Arizona
GEORGE MCGOVERN, South Dakota
GAYLORD NELSON, Wisconsin
LEE METCALF, Montana

THOMAS H. KUCHEL, California
GORDON ALLOT, Idaho
LEN B. JORDAN, Idaho
MILWARD L. SIMPSON, Wyoming
PAUL J. FANNIN, Arizona

JERRY T. VERKLER, *Staff Director*
STEWART FRENCH, *Chief Counsel*

RICHARD W. C. FALKNER, *Professional Staff Member*
RICHARD N. LITTLE, *Minority Counsel*

CONTENTS

	Page
S. 1229-----	2
Bureau of the Budget executive communication-----	5
Department of the Interior report-----	13

STATEMENTS

Cassady, E. Michael, executive assistant, Mississippi Valley Association---	65
Holum, Hon. Kenneth, Assistant Secretary of the Interior for Water and Power; accompanied by Karl Lee, Bureau of Reclamation; Henry Caulfield, Director, Resources Program Staff; Dan Ogden, Assistant Director, Bureau of Outdoor Recreation; James McBroom, Assistant Director, Bureau of Sports Fisheries and Wildlife, and John Wilkinson, Resources Program Staff-----	37
Price, William P., general manager and chief engineer, United Water Conservation District-----	34
Robinson, Charles A., Jr., National Rural Electric Cooperative Association-----	57
Staats, Elmer B., Deputy Director, Bureau of the Budget; accompanied by Wesley K. Sasaki, assistant division chief, Resources and Civil Works Division, and John B. Roose, budget examiner, Resources and Civil Works Division-----	16
Symington, Hon. Stuart, a U.S. Senator from the State of Missouri-----	15
Weber, Eugene W., Deputy Director, Civil Works Division, Corps of Engineers-----	33

COMMUNICATIONS

Douglas, Philip A., executive secretary, Sport Fishing Institute: Letter to Hon. Henry M. Jackson, chairman, Interior and Insular Affairs Committee, dated March 3, 1965-----	66
Hilton, Ben, Grants Pass, Oreg.: Telegram to Hon. Wayne Morse, U.S. Senate, dated April 1, 1965-----	66
Prince, Gregory S., Association of American Railroads: Letter to Hon. Henry M. Jackson, chairman, Interior and Insular Affairs Committee, dated March 19, 1965-----	64
Richards, T. H., Jr., president, State of California Fish and Game Commission: Letter to Richard N. Little, minority counsel, Committee on Interior and Insular Affairs, dated March 25, 1965-----	36
Verhoeven, Leon A., executive director, Pacific Marine Fisheries Commission: Letter to Hon. Henry M. Jackson, chairman, Interior and Insular Affairs Committee, dated April 2, 1965-----	63

WATER PROJECT RECREATION ACT

TUESDAY, MARCH 23, 1965

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to call, at 10:10 a.m., in room 3110, New Senate Office Building, Senator Henry M. Jackson (chairman of the committee) presiding.

Present: Senators Henry M. Jackson (Washington), Ernest Gruening (Alaska), Frank E. Moss (Utah), Quentin N. Burdick (North Dakota), Thomas H. Kuchel (California), Gordon Allott (Colorado), Milward L. Simpson (Wyoming), and Paul Fannin (Arizona).

Also present: Jerry T. Verkler, staff director; Stewart French, chief counsel; Richard N. Little, minority counsel; and Richard W. C. Falknor, special assistant.

Senator JACKSON. The committee will come to order.

This morning, the committee will consider S. 1229, a bill to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control.

S. 1229 contemplates a common policy regarding the recreation and fish and wildlife functions of Federal multiple-purpose water projects. This subject, so important in this era of fast-growing recreational needs, has already received considerable study by the executive agencies concerned and the Committee on Interior and Insular Affairs of the House of Representatives.

In its deliberations upon the administration proposals, the committee will necessarily want to review the existing method of cost allocation in multiple-purpose water resources projects. It is in the general context of the so-called separable costs-remaining benefits method of cost allocation that the recommendations embodied in S. 1229 must be understood.

I am confident that the capable representatives of the Bureau of the Budget and the Department of the Interior will be able to go into this method in some detail after they summarize the general objectives the administration seeks through S. 1229.

I shall direct that, at this point in the record, the text of S. 1229 be inserted together with the executive communication from the Bureau of the Budget and the report from the Department of the Interior.

(The information referred to follows:)

[S. 1229, 89th Cong., 1st sess.]

A BILL To provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the Congress and the intent of this Act that (a) full consideration shall be given to outdoor recreation opportunities and fish and wildlife enhancement where these can be provided or enhanced in the investigation, planning, construction, operation, and maintenance of Federal navigation, flood control, reclamation, hydroelectric and multiple-purpose water resource projects; (b) planning with respect to the development of the recreation potential of any such project shall be based on the coordination of the recreational use of the project area with the use of existing and planned Federal, State, or local public recreation developments; and (c) project construction agencies shall encourage non-Federal public bodies to administer project land and water areas for recreation and fish and wildlife enhancement purposes and operate, maintain, and replace facilities provided for those purposes unless such areas or facilities are authorized by law for inclusion within a national recreation area, or are appropriate for administration by a Federal agency as a part of the national forest system, as a part of the public lands classified for retention in Federal ownership, or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

SEC. 2. (a) If, before authorization of a project, non-Federal public bodies indicate their intent in writing to agree to administer project land and water areas for recreation and fish and wildlife enhancement pursuant to a plan of development and to bear not less than one-half the separable costs of the project allocated to recreation and fish and wildlife enhancement and all the costs of operation, maintenance and replacement of recreation and fish and wildlife enhancement lands and facilities: (1) the benefits of the project to recreation and fish and wildlife enhancement shall be taken into account in determining the economic benefits of the project; (2) costs shall be allocated to the purposes of recreation and fish and wildlife enhancement and to other purposes in a manner which will insure that all project purposes share equitably in the advantages of multiple-purpose construction: *Provided*, That the costs allocated to recreation or fish and wildlife enhancement shall not exceed the lesser of the benefits from those functions or the costs of providing recreation or fish and wildlife enhancement benefits of reasonably equivalent use and location by the least costly alternative means; and (3) not more than one-half the separable costs and all the joint costs of the project allocated to recreation and fish and wildlife enhancement shall be borne by the United States and be nonreimbursable. Projects authorized before January 1, 1966, may include recreation and fish and wildlife enhancement on the foregoing basis without the required indication of intent. Execution of an agreement as aforesaid shall be a prerequisite to commencement of construction of projects authorized pursuant to this section.

(b) The non-Federal share of the separable costs of the project allocated to recreation and fish and wildlife enhancement shall be borne by non-Federal interests, under either or both of the following methods as may be determined appropriate by the head of the Federal agency having jurisdiction over the project: (1) payment, or provision of lands, interests therein, or facilities for the project; or (2) repayment, with interest at a rate comparable to that for other interest-bearing functions of Federal water resource projects, within fifty years of first use of project recreation or fish and wildlife enhancement facilities: *Provided*, That the source of repayment may be limited to entrance and user fees or charges collected at the project by non-Federal interests if the fee schedule and the portion of fees dedicated to repayment are established on a basis calculated to achieve repayment as aforesaid and if the fee schedule and the portion of fees dedicated to repayment are made subject to review and renegotiation at intervals of not more than five years.

SEC. 3. (a) In the absence of an indication of intent as specified in subsection 2(a), facilities or project modifications shall not be provided expressly for recreation and fish and wildlife enhancement; minimum facilities for the public health and safety may be provided at access points provided by roads existing at the time of project construction and roads constructed for the administration and

management of the project. For projects authorized pursuant to section 3 hereof, the recreation and fish and wildlife enhancement benefits shall be limited to the number of visitor days and the value per visitor day which would take place on the basis of the provision of minimum facilities for public health and safety, and excluding any additional land which may be acquired expressly to provide for subsequent recreation or fish and wildlife enhancement development as provided under subsection 3(b); for projects authorized pursuant to this subsection, all costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable.

(b) In the absence of an indication of intent as specified in subsection 2(a), lands may be provided in connection with project construction to preserve the recreation and fish and wildlife enhancement potential of the project—

(1) if non-Federal public bodies execute an agreement within ten years after initial operation of the project which agreement shall provide that the non-Federal public bodies will administer project land and water areas for recreation and fish and wildlife enhancement pursuant to a plan of development and will bear not less than one-half the cost of lands, facilities, and project modifications provided for those purposes and all costs of operation, maintenance, and replacement of recreation and fish and wildlife enhancement facilities, not more than one-half the costs of lands, facilities, and project modifications provided pursuant to paragraph (1) of this subsection may be borne by the United States and such costs shall be nonreimbursable. Such agreement and subsequent development shall not be the basis for any reallocation of joint costs of the project to recreation or fish and wildlife enhancement.

(2) if, within ten years after initial operation of the project, there is not an executed agreement as specified in paragraph (1) of subsection 3(b), the head of the agency having jurisdiction over the project may convey the possession and control of any lands provided pursuant to subsection 3(b) by deed, lease, or otherwise, to any Federal agency, or to any person or non-Federal body, for the purpose of recreation, fish and wildlife enhancement, or use as a summer residence, or for the operation on such lands of pleasure resorts for boating, fishing, or any similar purpose, or for any other purpose which would not conflict with the purposes for which the project was constructed: *Provided*, That no transfer authorized herein, except transfer by conveyance at full market value under the then existing conditions, shall be made without approval of the President of the United States.

SEC. 4. At projects, the construction of which has commenced or been completed as of the effective date of this Act, where non-Federal public bodies agree to administer project land and water areas for recreation and fish and wildlife enhancement purposes and to bear the costs of operation, maintenance, and replacement of existing facilities serving those purposes, such facilities and appropriate project lands may be transferred to the non-Federal public bodies at no cost.

SEC. 5. Nothing herein shall be construed as preventing or discouraging post-authorization development of any project for recreation and fish and wildlife enhancement by non-Federal public bodies pursuant to agreement with the head of the Federal agency having jurisdiction over the project. Such development shall not be the basis for any allocation or reallocation of project costs to recreation or fish and wildlife enhancement.

SEC. 6. (a) The views of the Secretary of the Interior developed in accordance with section 3 of the Act of May 28, 1963 (77 Stat. 49), with respect to the outdoor recreation aspects shall be set forth in any report on any project or appropriate unit thereof within the purview of this Act. Such views shall include a report on the extent to which the proposed recreation and fish and wildlife development conforms to and is in accord with the State comprehensive plan developed pursuant to subsection 5(d) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897).

(b) Nothing in this Act shall be construed as amending the first proviso of subsection 2(d) of the Act of August 12, 1958 (72 Stat. 563; 16 U.S.C. 662(d)), and the second proviso of subsection 2(d) of that Act is hereby repealed.

(c) Expenditures for lands or interests in lands hereafter acquired by project construction agencies for the establishment of migratory waterfowl refuges recommended by the Secretary of the Interior at Federal water resource projects, when such lands or interests in lands would not have been acquired but

for the establishment of a migratory waterfowl refuge at the project, shall not exceed \$28,000,000: *Provided*, That the aforementioned expenditure limitation in this subsection shall not apply to the costs of mitigating damages to migratory waterfowl caused by such water resource project.

(d) This Act shall not apply to the Tennessee Valley Authority, nor to projects constructed under authority of the Small Reclamation Projects Act, as amended, or under authority of the Watershed Protection and Flood Prevention Act, as amended.

(e) Sections 2, 3, 4, and 5 of this Act shall not apply to nonreservoir local flood control projects, beach erosion control projects, small boat harbor projects, hurricane protection projects, or to project areas or facilities authorized by law for inclusion within a national recreation area or appropriate for administration by a Federal agency as a part of the national forest system, as a part of the public lands classified for retention in Federal ownership, or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

(f) As used in this Act, the term "nonreimbursable" shall not be construed to prohibit the imposition of entrance, admission, and other recreation user fees or charges.

(g) Subsection 6(a) (2) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) shall not apply to costs allocated to recreation and fish and wildlife enhancement which are borne by the United States as a nonreimbursable project cost pursuant to subsection 2(a) or subsection 3(b)(1) of this Act.

(h) All payments and repayment by non-Federal public bodies under the provisions of this Act, and revenue from the conveyance by deed, lease, or otherwise, of lands under subsection 3(b)(2) of this Act, shall be deposited in the Treasury as miscellaneous receipts.

SEC. 7. (a) The Secretary of the Interior is authorized as a part of any water resource development project under his control heretofore or hereafter authorized or reauthorized, except projects or areas within national wildlife refuges, or investigate, plan, construct, operate, and maintain or otherwise provide for public outdoor recreation facilities, to acquire or otherwise to include within the project area such adjacent lands or interests therein as are necessary for present or future public recreation use, to provide for the public use and enjoyment of project lands, facilities, and water areas in a manner coordinated with the other project purposes, and at projects hereafter authorized or reauthorized, to allocate water and reservoir capacity to recreation. Lands, facilities, and project modifications may be provided in accordance with subsection 3(b), hereof, at projects heretofore authorized.

(b) The Secretary of the Interior is authorized to enter into agreements with Federal agencies or State or local public bodies for the administration of project land and water areas and the operation, maintenance, and replacement of facilities and to transfer project lands or facilities to Federal agencies or State or local public bodies by lease, conveyance, or exchange, upon such terms and conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation purposes.

(c) No lands under the jurisdiction of any other Federal agency may be included for or devoted to recreation purposes under the authority of this section without the consent of the head of such agency; and the head of any such agency is authorized to transfer any such lands to the jurisdiction of the Secretary of the Interior for purposes of this section. The Secretary of the Interior is authorized to transfer jurisdiction over project lands within or adjacent of the exterior boundaries of national forests and facilities thereon to the Secretary of Agriculture for recreation and other national forest system purposes; and such transfer shall be made in each case in which the project reservoir area is located wholly within the exterior boundaries of a national forest unless the Secretaries of Agriculture and Interior jointly determine otherwise. Where any project lands are transferred hereunder to the jurisdiction of the Secretary of Agriculture, the lands involved shall become national forest lands: *Provided*, That the lands and waters within the flow lines of any reservoir or otherwise needed or used for the operation of the project for other purposes shall continue to be administered by the Secretary of the Interior to the extent he determines to be necessary for such operation. Nothing herein shall limit the authority of the Secretary of the Interior granted by existing provisions of law relating to recreation development of water resource projects or to disposition of public lands for recreational purposes.

SEC. 8. As used in this Act—

(a) The term "project" shall mean a project or any appropriate unit thereof.
 (b) The term "cost" shall mean the value of goods and services (land, labor and supplies) used for the establishment, maintenance and operation of the project.

(c) The term "separable costs" shall mean the cost for each project purpose which is the difference between the cost of the multiple-purpose project and the cost of the project with the purpose omitted.

(d) The term "joint costs" shall mean the difference between the cost of the multiple-purpose project as a whole and the total of the separable costs for all project purposes.

SEC. 9. This Act may be cited as the "Federal Water Project Recreation Act".

EXECUTIVE OFFICE OF THE PRESIDENT,
 BUREAU OF THE BUDGET,
 Washington, D.C., February 19, 1965.

Hon. HENRY M. JACKSON,
 Chairman, Committee on Interior and Insular Affairs,
 U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In the 88th Congress, your committee had before it for consideration a bill, S. 2733, "To provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control." A similar bill, H.R. 52, has been introduced in this Congress in the House of Representatives.

Enclosed herewith for your information is a copy of our letter responding to a request for views on H.R. 52 from the House Committee on Interior and Insular Affairs. The enclosed letter and recommended substitute bill set forth the administration's position on uniform policies regarding recreation and fish and wildlife enhancement at water resource projects. I will be glad to furnish you with any additional information you may wish to have on this matter.

Sincerely,

ELMER B. STAATS,
 Deputy Director.

[Enclosure]

EXECUTIVE OFFICE OF THE PRESIDENT,
 BUREAU OF THE BUDGET,
 Washington, D.C., February 19, 1965.

Hon. WAYNE N. ASPINALL,
 Chairman, Committee on Interior and Insular Affairs, House of Representatives,
 Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 6, 1965, requesting the views of the Bureau of the Budget on H.R. 52, a bill "To provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control."

This bill is identical to H.R. 9032, as reported by your committee in the last Congress. It recognizes that the demands of the American people for all types of recreation, especially water oriented outdoor recreation, have increased sharply and should be fully considered in the planning and construction of Federal multiple-purpose water resources projects. There is need for uniform policies, including cost sharing and reimbursement policies, in the treatment of recreation and fish and wildlife as part of these projects. H.R. 52 would also provide the Secretary of the Interior with general authority, comparable to that now available to the Department of the Army, for recreation development of projects under his control.

The policies and provisions embodied in H.R. 9032 have been applied to water resources projects in the planning stage from the time it was introduced. The experience in applying these policies in the past year brought to light several difficulties with respect to the cost sharing provisions. Therefore, we, together with the interested Federal agencies, have carefully reconsidered the problem. The results of this study are reflected in the enclosed substitute draft bill which is transmitted for your consideration.

One of the objectives of the draft bill, as well as of H.R. 52, is to encourage non-Federal development and administration of recreation and fish and wildlife enhancement features of water resources projects except where such are appropriate for Federal administration. The bill recognizes that there are non-Federal as well as Federal responsibilities with respect to the provision of outdoor recreation opportunities and fish and wildlife enhancement. We believe the cost-sharing provisions of the draft bill to be equitable. It is anticipated that the Federal construction agencies will work with the States and local governments in the determination of the scale and development of recreation and fish and wildlife enhancement. Thus, these developments can be provided to the extent of non-Federal sharing of the costs of such lands and facilities. Also, the draft bill encourages and provides for transfer of facilities at existing projects to non-Federal interests.

The provisions of the draft bill are not described here but are covered in the enclosed section-by-section analysis of the bill.

Enactment of the draft bill would establish general cost-sharing and reimbursement policy for recreation and fish and wildlife enhancement. The formulation of a general policy to fit every circumstance is made difficult by the great variety among water resources projects—in size, purposes served, and problems encountered. Therefore, the water resources agencies may in some instances recommend departures from the general policy.

The Bureau of the Budget, with the concurrence of the Department of the Interior and the Department of the Army, recommends the enclosed draft bill be substituted for H.R. 52 and that it be enacted. Its enactment would be consistent with the administration's objectives.

Sincerely,

ELMER B. STAATS,
Deputy Director.

[Attachments]

A BILL To provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the policy of the Congress and the intent of this Act that (a) full consideration shall be given to outdoor recreation opportunities and fish and wildlife enhancement where these can be provided or enhanced in the investigation, planning, construction, operation, and maintenance of Federal navigation, flood control, reclamation, hydroelectric, and multiple-purpose water resource projects; (b) planning with respect to the development of the recreation potential of any such project shall be based on the coordination of the recreational use of the project area with the use of existing and planned Federal, State, or local public recreation developments; and (c) project construction agencies shall encourage non-Federal public bodies to administer project land and water areas for recreation and fish and wildlife enhancement purposes and operate, maintain, and replace facilities provided for those purposes unless such areas or facilities are authorized by law for inclusion within a national recreation area, or are appropriate for administration by a Federal agency as a part of the national forest system, as a part of the public lands classified for retention in Federal ownership, or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

Sec. 2. (a) If, before authorization of a project, non-Federal public bodies indicate their intent in writing to agree to administer project land and water areas for recreation and fish and wildlife enhancement pursuant to a plan of development and to bear not less than one-half the separable costs of the project allocated to recreation and fish and wildlife enhancement and all the costs of operation, maintenance, and replacement of recreation and fish and wildlife enhancement lands and facilities: (1) the benefits of the project to recreation and fish and wildlife enhancement shall be taken into account in determining the economic benefits of the project; (2) costs shall be allocated to the purposes of recreation and fish and wildlife enhancement and to other purposes in a manner which will insure that all project purposes share equitably in the advantages of multiple-purpose construction: *Provided*, That the costs allocated to recreation or fish and wildlife enhancement shall not exceed the lesser of the benefits from those functions or the costs of providing recreation or fish and wildlife enhancement benefits of reasonably equivalent use and location by the least costly alternative means; and (3) not more than one-half the separable costs and all the

joint costs of the project allocated to recreation and fish and wildlife enhancement shall be borne by the United States and be nonreimbursable. Projects authorized before January 1, 1966, may include recreation and fish and wildlife enhancement on the foregoing basis without the required indication of intent. Execution of an agreement as aforesaid shall be a prerequisite to commencement of construction of projects authorized pursuant to this section.

(b) The non-Federal share of the separable costs of the project allocated to recreation and fish and wildlife enhancement shall be borne by non-Federal interests, under either or both of the following methods as may be determined appropriate by the head of the Federal agency having jurisdiction over the project: (1) payment, or provision of lands, interests therein, or facilities for the project; or (2) repayment, with interest at a rate comparable to that for other interest-bearing functions of Federal water resource projects, within 50 years of first use of project recreation or fish and wildlife enhancement facilities: *Provided*, That the source of repayment may be limited to entrance and user fees or charges collected at the project by non-Federal interests if the fee schedule and the portion of fees dedicated to repayment are established on a basis calculated to achieve repayment as aforesaid and if the fee schedule and the portion of fees dedicated to repayment are made subject to review and renegotiation at intervals of not more than 5 years.

SEC. 3. (a) In the absence of an indication of intent as specified in subsection 2(a), facilities or project modifications shall not be provided expressly for recreation and fish and wildlife enhancement; minimum facilities for the public health and safety may be provided at access points provided by roads existing at the time of project construction and roads constructed for the administration and management of the project. For projects authorized pursuant to section 3 hereof, the recreation and fish and wildlife enhancement benefits shall be limited to the number of visitor days and the value per visitor day which would take place on the basis of the provision of minimum facilities for public health and safety, and excluding any additional land which may be acquired expressly to provide for subsequent recreation or fish and wildlife enhancement development as provided under subsection 3(b); for projects authorized pursuant to this subsection, all costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable.

(b) In the absence of an indication of intent as specified in subsection 2(a), lands may be provided in connection with project construction to preserve the recreation and fish and wildlife enhancement potential of the project.

(1) If non-Federal public bodies execute an agreement within ten years after initial operation of the project, which agreement shall provide that the non-Federal public bodies will administer project land and water areas for recreation and fish and wildlife enhancement pursuant to a plan of development and will bear not less than one-half the costs of lands, facilities and project modifications provided for those purposes and all costs of operation, maintenance and replacement of recreation and fish and wildlife enhancement facilities, not more than one-half the costs of lands, facilities, and project modifications provided pursuant to paragraph (1) of this subsection may be borne by the United States and such costs shall be nonreimbursable. Such agreement and subsequent development shall not be the basis for any reallocation of joint costs of the project to recreation or fish and wildlife enhancement.

(2) If, within ten years after initial operation of the project, there is not an executed agreement as specified in paragraph (1) of subsection 3(b), the head of the agency having jurisdiction over the project may convey the possession and control of any lands provided pursuant to subsection 3(b) by deed, lease, or otherwise, to any Federal agency, or to any person or non-Federal body, for the purpose of recreation, fish and wildlife enhancement, or use as a summer residence, or for the operation on such lands of pleasure resorts for boating, fishing, or any similar purpose, or for any other purpose which would not conflict with the purposes for which the project was constructed: *Provided*, That no transfer authorized herein, except transfer by conveyance at full market value under the then existing conditions, shall be made without approval of the President of the United States.

SEC. 4. At projects, the construction of which has commenced or been completed as of the effective date of this Act, where non-Federal public bodies agree to administer project land and water areas for recreation and fish and wildlife enhancement purposes and to bear the costs of operation, maintenance and replacement of existing facilities serving those purposes, such facilities and appro-

priate project lands may be transferred to the non-Federal public bodies at no cost.

SEC. 5. Nothing herein shall be construed as preventing or discouraging post-authorization development of any project for recreation and fish and wildlife enhancement by non-Federal public bodies pursuant to agreement with the head of the Federal agency having jurisdiction over the project. Such development shall not be the basis for any allocation or reallocation of project costs to recreation or fish and wildlife enhancement.

SEC. 6. (a) The views of the Secretary of the Interior developed in accordance with section 3 of the Act of May 28, 1963 (77 Stat. 49), with respect to the outdoor recreation aspects shall be set forth in any report on any project or appropriate unit thereof within the purview of this Act. Such views shall include a report on the extent to which the proposed recreation and fish and wildlife development conforms to and is in accord with the State comprehensive plan developed pursuant to subsection 5(d) of the Land and Water Conservation Act of 1965 (78 Stat. 897).

(b) Nothing in this Act shall be construed as amending the first proviso of subsection 2(d) of the Act of August 12, 1958 (72 Stat. 563; 16 U.S.C. 662(d)), and the second proviso of subsection 2(d) of that Act is hereby repealed.

(c) Expenditures for lands or interests in lands hereafter acquired by project construction agencies for the establishment of migratory waterfowl refuges recommended by the Secretary of the Interior at Federal water resource projects, when such lands or interests in lands would not have been acquired but for the establishment of a migratory waterfowl refuge at the project, shall not exceed \$28,000,000: *Provided*, That the aforementioned expenditure limitation in this subsection shall not apply to the costs of mitigating damages to migratory waterfowl caused by such water resource project.

(d) This Act shall not apply to the Tennessee Valley Authority, nor to projects constructed under authority of the Small Reclamation Projects Act, as amended, or under authority of the Watershed Protection and Flood Prevention Act, as amended.

(e) Sections 2, 3, 4 and 5 of this Act shall not apply to nonreservoir local flood control projects, beach erosion control projects, small boat harbor projects, hurricane protection projects, or to project areas or facilities authorized by law for inclusion within a national recreation area or appropriate for administration by a Federal agency as a part of the national forest system, as a part of the public lands classified for retention in Federal ownership, or in connection with an authorized Federal program for the conservation and development of fish and wildlife.

(f) As used in this Act, the term "nonreimbursable" shall not be construed to prohibit the imposition of entrance, admission, and other recreation user fees or charges.

(g) Subsection 6(a) (2) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) shall not apply to costs allocated to recreation and fish and wildlife enhancement which are borne by the United States as a nonreimbursable project cost pursuant to subsection 2(a) or subsection 3(b) (1) of this Act.

(h) All payments and repayment by non-Federal public bodies under the provisions of this Act, and revenue from the conveyance by deed, lease or otherwise, or lands under subsection 3(b) (2) of this Act, shall be deposited in the Treasury as miscellaneous receipts.

SEC. 7. (a) The Secretary of the Interior is authorized as a part of any water resource development project under his control heretofore or hereafter authorized or reauthorized, except projects or areas within national wildlife refuges, to investigate, plan, construct, operate and maintain or otherwise provide for public outdoor recreation facilities, to acquire or otherwise to include within the project area such adjacent lands or interests therein as are necessary for present or future public recreation use, to provide for the public use and enjoyment of project lands, facilities, and water areas in a manner coordinated with the other project purposes, and at projects hereafter authorized or reauthorized, to allocate water and reservoir capacity to recreation. Lands, facilities and project modifications may be provided in accordance with subsection 3(b), hereof, at projects heretofore authorized.

(b) The Secretary of the Interior is authorized to enter into agreements with Federal agencies or State or local public bodies for the administration of project land and water areas and the operation, maintenance and replacement of facilities and to transfer project lands or facilities to Federal agencies or State or local public bodies by lease, conveyance, or exchange, upon such terms and

conditions as will best promote the development and operation of such lands or facilities in the public interest for recreation purposes.

(c) No lands under the jurisdiction of any other Federal agency may be included for or devoted to recreation purposes under the authority of this section without the consent of the head of such agency; and the head of any such agency is authorized to transfer any such lands to the jurisdiction of the Secretary of the Interior for purposes of this section. The Secretary of the Interior is authorized to transfer jurisdiction over project lands within or adjacent to the exterior boundaries of national forests and facilities thereon to the Secretary of Agriculture for recreation and other national forest system purposes; and such transfer shall be made in each case in which the project reservoir area is located wholly within the exterior boundaries of a national forest unless the Secretaries of Agriculture and Interior jointly determine otherwise. Where any project lands are transferred hereunder to the jurisdiction of the Secretary of Agriculture, the lands involved shall become national forest lands: *Provided*, That the lands and waters within the flow lines of any reservoir or otherwise needed or used for the operation of the project for other purposes shall continue to be administered by the Secretary of the Interior to the extent he determines to be necessary for such operation. Nothing herein shall limit the authority of the Secretary of the Interior granted by existing provisions of law relating to recreation development of water resource projects or to disposition of public lands for recreational purposes.

SEC. 8. As used in this Act—

(a) The term "project" shall mean a project or any appropriate unit thereof.

(b) The term "cost" shall mean the value of goods and services (land, labor and supplies) used for the establishment, maintenance and operation of the project.

(c) The term "separable costs" shall mean the cost for each project purpose which is the difference between the cost of the multiple-purpose project and the cost of the project with the purpose omitted.

(d) The term "joint costs" shall mean the difference between the cost of the multiple-purpose project as a whole and the total of the separable costs for all project purposes.

SEC. 9. This Act may be cited as the "Federal Water Project Recreation Act".

FEDERAL WATER PROJECT RECREATION ACT

SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 states congressional policy that (a) full consideration shall be given to recreation and fish and wildlife enhancement as purposes of Federal water resources project; (b) planning with respect to recreation aspects of a project shall be coordinated with existing and planned recreation developments; and (c) project construction agencies shall encourage non-Federal public bodies to assume responsibility for management of project areas and facilities, except at those projects or project areas which are appropriate for Federal administration because of other Federal programs.

Areas which may be appropriate for Federal administration include national recreation areas, and areas which are part of the national forest system, part of the public lands classified for retention in Federal ownership, or part of lands administered under an authorized Federal program for the conservation and development of fish and wildlife. The following seven types of areas are included in this last category: wildlife refuges, wildlife ranges, game ranges, waterfowl production areas, wildlife management areas, national fish hatcheries, and areas for the protection and conservation of fish and wildlife that are rare or threatened with extinction.

As used throughout this bill, the term "non-Federal public bodies" includes such public entities as States, counties, municipalities, recreation districts, or other special purpose districts with sufficient authority to participate under the provisions of this bill. The term also includes a combination of two or more of the foregoing entities.

SECTION 2

Subsection 2(a) provides that if non-Federal public bodies express an intent before project authorization, and execute an agreement before initiation of proj-

ect construction, to administer project land and water areas for recreation and fish and wildlife enhancement and to pay or repay at least one-half the costs of providing lands, facilities, and project modifications and all costs of operation, maintenance, and replacement of such lands, facilities, and project modifications which are not integral parts of the Federal project, then the Federal Government will bear all joint costs allocated to recreation and fish and wildlife enhancement and up to one-half of the costs of lands, facilities, and project modifications for those purposes. Project modifications include, for example, the raising of the height of a dam so as to provide increased storage capacity, or the construction of a subimpoundment in an arm of a reservoir, specifically for recreation or fish and wildlife enhancement.

It is anticipated that under the provisions of the bill the Federal construction agency will work with non-Federal public interests to develop a short- and long-range plan of development for recreation and fish and wildlife enhancement which should be provided at the project. For example, where there is little demand for recreation facilities, such facilities should be provided only to the extent local participation permits.

A statement of intent to participate by non-Federal public bodies is generally required by the bill if provision is to be made specifically for recreation and fish and wildlife enhancement at a project. However, it is not believed desirable to delay authorization of projects on which planning has been completed by further referral of the project report to non-Federal public bodies. Therefore, the bill provides that for projects authorized prior to January 1, 1966, an expression of intent to participate by non-Federal interests will not be required. For all projects, however, an executed agreement to participate will be required prior to initiation of project construction. If, after indicating intent to participate, non-Federal interests do not execute such an agreement, the project would be treated as though there had been no original statement of intent and would be constructed under provisions similar to those contained in section 3.

Under the provisions of subsection 2(b), non-Federal public bodies may pay or repay their share of costs of development (excluding those operation, maintenance, and replacement costs which they must bear directly) under either or both of the following methods, as determined appropriate by the head of the agency having jurisdiction over the project: (1) payment, or provision of lands or facilities required by the project, or (2) repayment, within 50 years, with interest at a rate comparable to that for other interest-bearing functions of water resource projects. The source of repayment under (2) may be limited to a portion of the entrance and user fees collected at the project by non-Federal interests. The fee schedule and the percentage of the fees dedicated to repayment of the non-Federal share shall be established, and periodically reviewed, to achieve repayment in the period specified.

The latter provision allows non-Federal interests, if they so desire, to discharge their obligation to repay by charging fees to the recreation user and applying a portion of the fee toward repayment while applying the remaining portion toward their operation and maintenance costs.

SECTION 3

Subsection 3(a) recognizes that in some areas non-Federal interests may not want to participate in a project because they have sufficient recreation and fish and wildlife developments or because of other reasons. In such cases, water resources projects would not be held back because of the lack of non-Federal participation in recreation and fish and wildlife enhancement. In those instances, no facilities or project modifications would be provided expressly for recreation and fish and wildlife enhancement. The likelihood that a project, even without recreation facilities, may be utilized for recreation is recognized. However, it is believed that the recreation and fish and wildlife benefits would be minimal under these circumstances. Any costs allocated to recreation and fish and wildlife enhancement under these conditions would be nonreimbursable.

Since some recreational use of a project is anticipated even without recreation facilities, the bill provides for facilities for public health and safety. These facilities would include guard rails, turnarounds at the ends of roads, and minimum sanitary facilities. Parking, picnicking, swimming, or camping areas or facilities, or more elaborate sanitary facilities would not be provided under this subsection.

Most water resources projects provide some potential for recreation or fish and wildlife enhancement. For this reason, subsection 3(b) provides for the

acquisition or provision of lands in connection with any project to preserve this recreation or fish and wildlife enhancement potential even where there is no indication of intent of non-Federal cost sharing as specified in subsection 2(a). If, within 10 years after initial operation of the project, non-Federal interests desire to develop the recreation or fish and wildlife potential and agree to bear one-half the cost of the land, facilities, and any project modification for these purposes, and all costs of operation, maintenance, and replacement, then the development of the recreation and fish and wildlife enhancement potential could be undertaken pursuant to a plan of development. The Federal Government would bear up to one-half the costs of the land, facilities and project modifications for those purposes. If such an agreement is not obtained, the construction agency would be authorized to dispose of the land by sale, lease or in some other manner, to any person or non-Federal body after determining that such land is not required by another Federal agency. Disposal may be made for recreation, fish and wildlife enhancement, or for any other purpose as long as such use does not conflict with the purposes for which the project was constructed.

SECTION 4

To encourage non-Federal administration of the recreation and fish and wildlife enhancement features at existing Federal water resources projects (completed or under construction), the bill would authorize Federal water resource agencies to transfer recreation and fish and wildlife enhancement facilities, and appropriate project lands, at no cost to non-Federal public bodies if they agree to administer the facilities and to bear the costs of operation, maintenance and replacement of such lands and facilities.

SECTION 5

Section 5 makes it clear that incremental or subsequent development of recreation and fish and wildlife enhancement at any project shall not be discouraged. Other programs, as under the Land and Water Conservation Fund Act of 1965, could be used to develop recreation at projects that are not developed in accordance with other provisions of this bill. Development under such conditions will not, however, provide a basis for allocation or reallocation of any project costs to recreation and fish and wildlife enhancement.

SECTION 6

Subsection 6(a) provides that the views of the Secretary of the Interior, developed in accordance with the organic act of the Bureau of Outdoor Recreation, shall be included in each project report. The Secretary's report would indicate the extent to which the proposed project is in accord with the State comprehensive recreation plan developed pursuant to the Land and Water Conservation Act of 1965.

Subsection 6(b) confirms the limitations of the first proviso of subsection 2(d) of the Fish and Wildlife Coordination Act (72 Stat. 563; 16 U.S.C. 622(d)) with respect to measures for the enhancement of fish and wildlife properly includible in a Federal water resource project; it repeals the second proviso of that subsection of the Fish and Wildlife Coordination Act, which applies to projects constructed under reclamation law. The effect of the repeal of the second proviso is twofold: First, it will result in the costs of mitigation of project-occasioned damage to fish and wildlife being distributed among all project purposes the same as any other project cost; and, second, it will terminate the reimbursement policy for costs allocated to fish and wildlife enhancement now set out in the Fish and Wildlife Coordination Act so that the reimbursement policy established by this bill may take effect.

Subsection 6(c) places a limitation of \$28 million on water resource project funds that may be expended for land acquisition to accomplish the Federal Government's obligations to conserve and protect migratory waterfowl. These expenditures are in addition to those made from the migratory bird conservation fund for migratory waterfowl refuges. The \$28 million limitation applies only to expenditures for acquisition of lands or interests in lands which would otherwise not be acquired, when they are acquired at a water resource project for incorporation into a migratory waterfowl refuge. The limitation specifically does not apply to expenditures for the mitigation of damages to migratory waterfowl, since that is properly a project cost to be allocated to project purposes in the same manner as any other project cost.

Subsection 6(d) provides that the bill shall not apply to the Tennessee Valley Authority, nor to projects constructed under the authority of the Small Reclamation Projects Act, as amended, or under authority of the Watershed Protection and Flood Prevention Act, as amended. It is believed that cost sharing and reimbursement requirements for recreation and fish and wildlife enhancement at small reclamation projects should be considered in relation to such requirements as now exist at watershed protection projects.

The Tennessee Valley Authority believes it has adequate authority to plan for, evaluate benefits from, and allocate costs to recreation and fish and wildlife enhancement in connection with multiple-purpose projects. TVA believes that the bill contains language which is inappropriate for TVA, for example, the requirement that the views of the Secretary of the Interior be included in any report concerning a project within the bill's purview. While TVA consults and cooperates with other Federal agencies, TVA believes it must as a unified development agency take full responsibility for all phases of projects which it plans and constructs. This was recognized in TVA's exemption from the Fish and Wildlife Coordination Act. Furthermore, the general policy of the Tennessee Valley Authority is not to provide recreation facilities at Federal cost but to transfer lands adjacent to reservoirs to non-Federal bodies for recreation development and management. The TVA has been quite successful in this policy.

Subsection 6(e) provides that such projects as local nonreservoir flood control, beach erosion control, small boat harbor, and hurricane protection projects shall be excluded from the cost-sharing and reimbursement provisions of the bill because existing policies cover these projects. Cost sharing shall not be required for project areas that are appropriate for Federal administration.

Subsection 6(f) states that the term "nonreimbursable" shall not be construed to prohibit the imposition of entrance, admission, and other recreation user fees or charges.

Subsection 6(g) provides that the provision of the Land and Water Conservation Fund Act of 1965 which calls for the use of the fund to help offset the capital costs of recreation at Federal projects shall not be applied to projects at which non-Federal interests execute an agreement to share development costs and to bear the costs of operation and maintenance. The reason for this provision is that Federal recreation fees will not be charged at these projects. The offset provision would apply, however, to the capital costs of projects where non-Federal interests do not assume responsibility for the administration of project areas for recreation.

Subsection 6(h) provides that all moneys received (payments, repayments, or revenue from conveyance of land) under the terms of this bill shall be deposited in the miscellaneous receipts of the Treasury.

SECTION 7

The purpose of section 7 is to provide the Secretary of the Interior with authority similar to that already available to the Secretary of the Army. Since 1944 the Department of the Army has had basic statutory authority to provide recreation development at reservoir projects under its control; in 1962 this authority was expanded to embrace water resource development projects generally (sec. 4 of the act of Dec. 22, 1944, as amended; 16 U.S.C. 460(d)). On the other hand, only piecemeal authority exists for certain individual projects under the control of the Department of the Interior. A notable example of this project-by-project approach is section 8 of the Colorado River Storage Project Act of 1956 (70 Stat. 105; 43 U.S.C. 620(g)). Enactment of the proposed legislation will fill in the statutory gaps and permit the realization of potential returns on recreation resources created by public investment in the development of water resource projects of the Department of the Interior.

Subsection 7(a) provides that the Secretary of the Interior may plan, construct, operate, and maintain, or otherwise provide for public outdoor recreation facilities, and acquire land for such purpose, at any existing or hereafter authorized or reauthorized project. In addition, at projects hereafter authorized or reauthorized, he may also allocate water and reservoir capacity to recreation. Lands, facilities and project modifications may be provided at existing projects only if non-Federal public bodies agree to administer the project lands and water areas for recreation and to bear costs in accordance with section 2.

Subsection 7(b) authorizes the Secretary of the Interior to transfer to other Federal agencies or State or local bodies, project lands and facilities for operation and maintenance for recreation purposes.

Subsection 7(c) provides that, with the consent of the Federal agency having jurisdiction over lands required for recreation purposes at any project, such Federal agency is authorized to transfer lands so required to the Secretary of the Interior. The latter is also authorized to transfer to the Secretary of Agriculture project lands and facilities for recreation purposes when such project lands are adjacent to or within national forests, and such transfer shall be made, unless the Secretaries jointly agree otherwise, when the project is wholly within the exterior boundaries of a national forest. Any lands so transferred shall become national forest lands, but to the extent required for operation of the project for purposes other than recreation, the lands shall be administered by the Secretary of the Interior.

SECTIONS 8 AND 9

Section 8 defines terms used in the bill.

Section 9 provides that the bill may be cited as the "Federal Water Project Recreation Act."

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 19, 1965.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: This responds to your request for the views of the Department of the Interior on S. 1229, a bill to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control.

We strongly recommend enactment of the bill, which was transmitted to the Congress by the administration on February 19, 1965.

The Nation's needs for outdoor recreation opportunities have mushroomed in recent years as our population and available leisure have burgeoned. Growing recreation use of Federal reservoirs is only one indication of these increasing recreation demands. This intensive recreation use demonstrates that many recreation needs—particularly those for fishing, hunting, and water-oriented recreation—can be met satisfactorily and economically through appropriate development and management of Federal water resource developments. Recognition of this fact has prompted the quest of the past 2 years for a viable uniform policy to insure that proper recreation development of Federal water resource projects is achieved on terms that are equitable to all interests that share in the costs and benefits of Federal multiple-purpose projects. In our judgment S. 1229 would establish such a policy, and we strongly endorse the bill. It would close vexing questions which have troubled both the Congress and the resource agencies of the executive branch ever since it became apparent that recreation should have coequal status as a purpose of Federal water resource projects.

S. 1229 is a complementary measure to the Land and Water Conservation Act of 1965, the landmark recreation achievement of the 88th Congress. It would establish policy for a joint Federal-non-Federal effort to provide for recreation at water resource projects under ground rules that parallel those governing the joint Federal-State recreation effort under the Land and Water Conservation Fund Act. In addition to setting uniform policy for the treatment of recreation and fish and wildlife costs and benefits, S. 1229 would provide the Secretary of the Interior with long-overdue authority to develop water resource projects under his jurisdiction for recreation.

The following interpretations and comments on S. 1229 are offered on behalf of the Department of the Interior:

Section 1 of the bill states the policy of the Congress respecting planning and providing for outdoor recreation and fish and wildlife enhancement at Federal water resources projects. This policy is that full consideration shall be given to those purposes and that planning of Federal projects shall be directed toward the realization of the recreation and fish and wildlife enhancement potential of the project within a coordinated plan that considers all recreation development.

Section 1(c) recognizes that on some projects Federal management for recreation and fish and wildlife enhancement purposes will be appropriate, and, equally

important, recognizes the proper role of States and other non-Federal public bodies in managing Federal project land and water areas for those purposes. Project planning in the Department of the Interior will be conducted in accordance with these policies, with provision for Federal administration or encouragement of non-Federal administration in accordance with the precepts of the bill. Three points should be made regarding section 1(c). The first is that planning agencies such as the Bureau of Outdoor Recreation and the Bureau of Sport Fisheries and Wildlife, as well as construction agencies, will be involved in coordinating and planning recreation and fish and wildlife enhancement developments. Likewise, the role of encouraging non-Federal bodies to administer project land and water areas for recreation and fish and wildlife enhancement is not expected to be limited to project construction agencies. Second, we believe that section 1(c) should not be read to require exclusive Federal management of national recreation areas. The Recreation Advisory Council has envisioned joint Federal-non-Federal operation and management of national recreation areas under some circumstances. Some national recreation areas may be proposed for authorization on that basis; cost-sharing arrangements would have to be tailored to the situation. Third, we interpret the words "public lands classified for retention in Federal ownership" in line 14, page 2, as including lands so classified under the Classification and Multiple Use Act of September 19, 1964 (78 Stat. 986) or subsequently so classified after expiration of that act.

The references throughout the bill to non-Federal public bodies would be construed to include such agencies as irrigation districts, recreation districts, conservancy districts, and public utility districts, as well as State and local governments. Also, the management and cost-sharing responsibilities on a given project may be shared among several non-Federal public bodies.

A printing error in subsection 3(b) casts doubt upon the meaning of paragraphs 3(b)(1) and 3(b)(2). These paragraphs state the alternative for dealing with lands provided pursuant to subsection 3(b) and not limitations upon the authority to provide such lands. To make this clear a period should be substituted for the dash after the word "project" in line 11, page 5, and the word "if" in line 12, page 5, and line 5, page 6, should be capitalized. Another ambiguity in paragraph 3(b)(1) is found in lines 22, 23, and 24 of page 5; this paragraph would be more clear if these lines were changed to read as follows: "than one-half the costs of lands provided pursuant to this subsection, and facilities and project modifications provided pursuant to the plan of development may be borne by the United States and". We interpret the phrase "lands may be provided" in subsection 3(b) to mean that lands may be acquired, accepted as donations, or, in the case of public lands, withdrawn and reserved in order to preserve the indicated recreation and fish and wildlife potential of the project. We expect to continue to follow the present joint Army-Interior reservoir land acquisition policy in providing recreation and fish and wildlife enhancement lands at projects under this Department's jurisdiction.

As the section-by-section analysis transmitted on February 19, 1965, by the administration provides, lands subject to disposition under paragraph 3(b)(2) of the bill would be offered first to Federal agencies and, if such lands are not required by a Federal agency, to non-Federal entities or private persons for purposes not in conflict with the project.

As a matter of precise draftsmanship, the words "pursuant to this section" should be substituted for the words "pursuant to section 3 hereof" in lines 22 and 23 on page 4. Also, the word "fair" should be substituted for the word "full" in line 19, page 6; "fair market value" is a well-understood term of art that should be retained in this context.

The second sentence of section 6(a) of the bill is designed to apply only to the recreational aspects of developments for fish and wildlife enhancement and to insure that those aspects be considered in relation to the State comprehensive recreation plans developed under the Land and Water Conservation Act of 1965. The views and recommendations of the Secretary of the Interior with respect to fish and wildlife conservation and development would continue to be an integral part of water resource projects reports as now required by the Fish and Wildlife Coordination Act.

To make it clear that facilities recommended in project reports for fish and wildlife enhancement may be provided in accordance with the terms of the bill, section 6(b) should be revised to read as follows:

"(b) The first proviso of subsection 2(d) of the Act of Congress August 12, 1958 (72 Stat. 563; 16 U.S.C. 662(d)) is amended to read as follows: 'Provided,

That such cost attributable to the development and improvement of wildlife shall not be extended beyond that necessary for (1) land acquisition, (2) facilities as specifically recommended in water resource project reports, (3) modification of the project, and (4) modification of project operations, but shall not include the operation of wildlife facilities.' The second proviso of subsection 2(d) of said act is hereby repealed."

Such facilities might include small impoundments, spawning channels, and residences for wildlife area managers.

The Deputy Director of the Bureau of the Budget pointed out in his letter of February 19, 1965 that:

"Enactment of (S. 1229) would establish general cost-sharing and reimbursement policy for recreation and fish and wildlife enhancement. The formulation of a general policy to fit every circumstance is made difficult by the great variety among water resources projects—in size, purposes served, and problems encountered. Therefore, the water resources agencies may in some instances recommend departures from the general policy."

We, too, recognize that in this complex field general legislation cannot anticipate the diversities that will be encountered. For example, problems may arise in maintenance of streamflow for downstream fishing enhancement—perhaps across State boundaries. Also, the bill contemplates administration of project areas and cost-sharing by non-Federal public bodies. In the absence of a governmental or quasi-governmental agency to undertake these obligations a project might be proposed for full management and cost-sharing by a nonprofit private organization if full public access could be provided.

Finally, the bill does not purport to cover project recreation and fish and wildlife enhancement costs where Federal administration will be on the basis that all costs allocated to those purposes would be nonreimbursable.

The Bureau of the Budget has advised that there would be no objection to the presentation of this report, and that enactment of S. 1229 would be consistent with the administration's objectives.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

Senator JACKSON. The committee also has received a statement from Senator Symington which will be included in the record. In addition, we have a number of communications concerning the proposed legislation, and without objection I will direct that they appear at the conclusion of the oral presentations and discussions.

(The statement referred to follows:)

STATEMENT OF HON. STUART SYMINGTON, A U.S. SENATOR FROM THE
STATE OF MISSOURI

Mr. Chairman and members of the committee, I appreciate this opportunity to present my views on S. 1229—the "Federal Project Recreation Act."

Several additional Federal reservoir projects are badly needed in Missouri to provide the necessary flood protection and meet our future demands for water supply and power sources. We have become increasingly aware of the vital role which proper water resource development will have in the continued prosperity of our State and Nation.

Therefore, we are immediately concerned by any proposed change in policy or procedure affecting such development.

This past session of Congress, the Bureau of the Budget recommended H.R. 9032 which contained a formula with respect to non-Federal responsibility and recreational development in conjunction with Federal reservoirs. Under that plan there would have been little or no possibility of developing Missouri Basin projects located in areas of economic decline and critical loss of population.

At that time, we urged that the policy be eliminated and asked the Bureau of the Budget to review the formula which would have imposed such an unreasonable burden on the local interests as to preclude this type of development.

The people of Missouri recognize the need for a uniform policy on cost sharing on extra recreational and fish and wildlife benefits in multiple-purpose, federally constructed reservoirs.

But it is our belief that minimum basic recreational and sanitary facilities, such as those furnished on reservoirs in the past, should continue to be the responsibility of the Federal Government.

We believe this new policy, worked out by the Bureau of the Budget, Army Engineers, the Department of the Interior, and other interested agencies, recognizes this principle of Federal responsibility for these basic benefits and facilities.

At the same time, we believe S. 1229 will provide a naturally acceptable procedure for local or State government agencies to work with the Federal Government in providing needed, additional recreation and fish and wildlife benefits on a reasonable basis.

For these reasons, we believe S. 1229 to be acceptable and an improvement over the prior administration cost-sharing policy for benefits in addition to those supplied on previous multiple-purpose projects.

Senator JACKSON. Our first witness this morning is Mr. Elmer B. Staats, Deputy Director of the Bureau of the Budget. Mr. Staats, we are happy to welcome you this morning. I know of no one who has wrestled with the problem this legislation seeks to solve longer through the years than yourself, and I know that you will be able to give us a good picture of what the administration seeks to do, and of course, as always, will be responsive to the questions of the committee.

Mr. Staats.

STATEMENT OF ELMER B. STAATS, DEPUTY DIRECTOR, BUREAU OF THE BUDGET; ACCOMPANIED BY WESLEY K. SASAKI, ASSISTANT DIVISION CHIEF, RESOURCES AND CIVIL WORKS DIVISION, AND JOHN B. ROOSE, BUDGET EXAMINER, RESOURCES AND CIVIL WORKS DIVISION

Mr. STAATS. Thank you, Mr. Chairman. I have with me this morning Mr. Sasaki and Mr. Roose of our Resources and Civil Works Division, who have been working closely on this bill, and I am sure will be able to answer any of the committee's questions, if I can't.

Let me say at the outset, Mr. Chairman, that I appreciate very much, as always, the opportunity to appear before this committee, with which we have had such a close and fruitful relationship. The topic we are concerned with this morning has been one of the most troublesome ones that we have had, over the years, and it is our hope that we have in the proposal that the administration has sent forward to the Congress a wide measure of agreement among the Federal agencies with respect to an approach to this problem.

I think I should say also that I think the basis and the groundwork for our ability to come forward with a proposal with this degree of consensus stems in part, at least, from the fact that the Congress last year enacted the Land and Water Conservation Fund bill and in that way outlined a cooperative Federal-State approach to the development of recreational facilities.

I believe that the proposal which we have here today fits very well, and is consistent and consonant with the philosophy of that Land and Water Conservation Fund Act which this committee spent so much time on last year.

I have a prepared statement, Mr. Chairman. With your concurrence, I will read it, and then be prepared to answer questions.

The demand for all forms of outdoor recreation has been rapidly increasing and is expected to accelerate in the years ahead. A large portion of the demand is for water-oriented recreation—not only

those activities directly associated with water such as swimming, boating, water skiing, and fishing, but also related activities such as picnicking and camping. Water-oriented outdoor recreation is dependent in many areas upon Federal water resource projects, and the increasing demand for such recreation has resulted in general recognition that outdoor recreation should be considered fully along with other purposes in the formulation and management of water resources projects.

General policies, particularly cost-sharing and reimbursement policies, are needed for the treatment of recreation and fish and wildlife as part of Federal water resource projects. At the same time, the Secretary of the Interior should have general authority, comparable to that now available to the Department of the Army, for recreation development of projects under his control. S. 1229 would establish desirable general policies and also provide the Secretary of the Interior with appropriate authority.

The bill recognizes that there are non-Federal as well as Federal responsibilities in providing recreation and fish and wildlife developments. As this committee is well aware, the Land and Water Conservation Fund Act of 1965 recognized such a division of responsibility by authorizing grants to States for acquiring and developing recreation areas. S. 1229 is consistent with that approach.

Recreation opportunities provided by Federal water resource projects in most cases will be of primary benefit to people living in the locality of the project. In the absence of the project, there would be little question that the provision of similar recreation opportunities would be a non-Federal responsibility. Thus, it would seem appropriate and equitable generally to require some cost sharing by State and local interests. It is also appropriate for the Federal Government to bear part of the costs of providing recreation opportunities at Federal water resource projects. S. 1229 is based on these concepts.

Section 1 of the bill states congressional policy that (1) full consideration shall be given to recreation and fish and wildlife enhancement as part of Federal water resource projects; (2) planning with respect to recreation aspects of a project shall be coordinated with existing and planned recreation developments; and (3) except where Federal administration is authorized, non-Federal public bodies will be encouraged to assume responsibility for the management of project land and water areas for recreation and fish and wildlife enhancement purposes. We believe it is important to have a statement of congressional policy with respect to recreation as a purpose of Federal water resource projects.

A statement of intent to participate by non-Federal public bodies is generally required by the bill if provision is to be made specifically for recreation and fish and wildlife at a project. However, in order not to delay authorization of projects on which planning has been completed, an expression of intent will not be required for projects authorized prior to January 1, 1966. An executed agreement to participate will be required prior to initiation of project construction if specific developments for recreation and fish and wildlife are to be provided.

The bill provides that the Federal Government will bear all joint costs of a project allocated to recreation and fish and wildlife enhance-

ment. Joint costs include the cost of the dam; for example, to the extent it is common to all project purposes. The Federal Government will also bear up to one-half of the separable costs of these purposes. Non-Federal public interests would pay or reimburse the Federal Government for the remaining separable costs. Separable costs include, for example, the costs of picnic tables, boat-launching ramps, land, roads, and other specific items for recreation and fish and wildlife enhancement. Separable costs also include project modifications; such as, increasing the height of the dam or providing a subimpoundment specifically for those purposes.

Non-Federal interests may pay or repay their share of the costs under either or both of the following methods, as determined appropriate by the head of the agency having jurisdiction over the project: (1) payment in cash or provision of lands or facilities required by the project; or (2) repayment, within 50 years, with interest. The source of repayment may be a portion of the entrance and user fees collected at the project by non-Federal interests. It should be noted that under the provisions of the Land and Water Conservation Fund Act, Federal recreation fees will not be charged at areas administered by non-Federal public bodies.

By permitting non-Federal interests to meet the repayment requirements through the use of a portion or percentage of the fees they collect at the project, the bill makes available a method of repayment to States, communities, or other non-Federal interests which may not otherwise be able to commit themselves to repayment over a period of years. Under this method of repayment, nonlocal as well as local recreation users would help pay for the non-Federal share of the costs through user charges. We believe that it should be possible to obtain cost-sharing agreements, especially with this latter method of repayment available to non-Federal interests.

We firmly believe it is appropriate to obtain cost sharing on project features provided expressly for recreation and fish and wildlife enhancement. Under this approach, the extent to which non-Federal interests are willing to participate will be an important factor in developing an appropriate recreation and fish and wildlife plan for each project. S. 1229 would require some cost sharing at all projects where recreation and fish and wildlife are specifically included as project purposes.

Because joint costs allocated to recreation and fish and wildlife would be borne by the Federal Government on a nonreimbursable basis under this bill, there may be some concern about possible large writeoffs of project costs. This concern calls for great care in the calculation of benefits and allocation of costs. Improved procedures for the treatment of recreation and fish and wildlife are contained in the set of instructions issued last year as a supplement to the standards for project formulation and evaluation approved by President Kennedy in 1962. These procedures establish standards for estimation of recreation use and schedules of values assignable to such use in the calculation of benefits. They also establish criteria to be used in cost allocation. The agencies are now estimating benefits and allocating project costs in accordance with these procedures.

If there should be cases where non-Federal interests are unwilling or unable to share recreation and fish and wildlife costs, however, the con-

struction of water resource projects for other purposes would not be hindered under the provisions of S. 1229. In such cases, parking, picnicking, swimming, or camping areas or facilities, or elaborate sanitary facilities would not be provided. However, minimal facilities for public health and safety; such as, guardrails, turnarounds at the ends of roads, and minimum sanitary facilities would be provided. Recreation and fish and wildlife benefits, which we expect would be minimal where no provision was made specifically for those purposes, would be considered in the economic evaluation of the project; and costs would be allocated to those purposes in accordance with standard procedures.

A project's potential for recreation and fish and wildlife enhancement would be preserved under the bill even if there were no agreement on cost sharing prior to project construction. This potential would be preserved by the acquisition of land for those purposes at the time of project construction; and if, within 10 years after initial operation of the project, non-Federal interests agree to administer project areas for recreation and fish and wildlife enhancement and to share the costs of land acquisition and development for those purposes, the Federal Government would bear up to one-half of such costs. If no agreement is reached within the 10 years, the construction agency would be authorized to dispose of the additional land for any purpose that does not conflict with the purposes for which the project was constructed.

At projects already constructed, S. 1229 provides that existing facilities and appropriate lands for recreation and fish and wildlife may be turned over to non-Federal interests for administration at no cost. In addition, incremental or subsequent development by non-Federal public bodies for those purposes at any project would be possible. Financial assistance for such development could be provided under the grant provisions of the Land and Water Conservation Fund Act. Where existing areas and facilities remain under Federal administration or where additional facilities are provided by the Federal Government at existing areas, the user-fee provisions of the Land and Water Conservation Fund Act would apply.

I might add at this point that we recognize that it is difficult to initiate a change in policy or procedure. Accordingly, some differences are to be expected between projects already authorized and those not yet authorized. We do not intend to retroactively apply the cost-sharing policies of S. 1229 to projects that have been authorized on some other basis.

The bill also provides that the views of the Secretary of the Interior, developed in accordance with section 3 of the act of May 28, 1963, shall be included in each project report. That act is concerned with the coordination and development of effective programs relating to outdoor recreation and is the "organic act" of the Bureau of Outdoor Recreation. Included in the Secretary's report would be an indication of the extent to which the proposed recreation development is in accord with the State comprehensive recreation plan developed pursuant to the Land and Water Conservation Fund Act of 1965.

S. 1229 repeals a provision of the Fish and Wildlife Coordination Act. The effect of the repeal is twofold. First, it will result in the cost of mitigating project-occasioned damage to fish and wildlife at projects constructed under reclamation law to be distributed among all project purposes as a project cost. This is the procedure now followed on

Corps of Engineers projects. Second, the repeal will terminate the discretionary authority of the Secretary of the Interior to require reimbursement for costs allocated to fish and wildlife enhancement so that the reimbursement policy established by S. 1229 may take effect.

The bill places a limitation of \$28 million on water resource project funds that may be expended for land acquisition for the conservation and protection of migratory waterfowl. These expenditures are in addition to those made from the migratory bird conservation fund, including funds authorized to be advanced to the fund.

The bill does not apply to the Tennessee Valley Authority, nor to projects constructed under the authority of the Small Reclamation Projects Act or under authority of the Watershed Protection and Flood Prevention Act. It is believed that cost-sharing and reimbursement requirements for recreation and fish and wildlife enhancement at small reclamation projects should be considered in relation to such requirements as now exist at watershed protection projects.

The Tennessee Valley Authority believes it has adequate authority to plan for, evaluate benefits from, and allocate costs to recreation and fish and wildlife enhancement in connection with multiple-purpose projects. Furthermore, the general policy of the Tennessee Valley Authority is not to provide recreation facilities at Federal cost but to transfer lands adjacent to reservoirs to non-Federal bodies for recreation development and management. The TVA has been quite successful in this policy.

Such projects as local nonreservoir flood control, beach erosion control, small-boat harbors, and hurricane protection projects are excluded from the cost-sharing and reimbursement provisions of the bill because existing policies cover these projects. Cost sharing will not be required for project areas that are appropriate for Federal administration.

S. 1229 provides that the provision of the Land and Water Conservation Fund Act of 1965 which calls for the use of the fund to help offset the capital costs of recreation at Federal projects shall not be applied to projects at which non-Federal interests execute an agreement to share development costs and to bear the costs of operation and maintenance. The reason for this provision is that Federal recreation fees will not be charged at these projects. The offset provision would apply, however, to the capital costs of projects where non-Federal interests do not assume responsibility for the administration of project areas for recreation.

All moneys received—payments, repayments, or revenue from conveyance of land—under the terms of this bill will be deposited in the miscellaneous receipts of the Treasury.

One of the major purposes of S. 1229 is contained in section 7. That section would give the Secretary of the Interior necessary general authority to provide recreation development at water resource projects under his control. He now has only piecemeal authority for certain individual projects.

In summary, we believe that S. 1229 will encourage developments for recreation and fish and wildlife enhancement. The matching of Federal dollars by non-Federal dollars pursuant to this bill is expected to result in more funds for these purposes than would otherwise be available. For example, the Bureau of Outdoor Recreation indicates

that under the Land and Water Conservation Fund Act of 1965, which authorizes grants for non-Federal development of recreation facilities, the States stand ready to match all the Federal funds expected to become available in 1966 under that act. The enactment of S. 1229 would be of major assistance in the provision of water-oriented recreation opportunities and would bring much needed consistency to the handling of recreation and fish and wildlife as part of Federal multipurpose water resource projects.

The Bureau of the Budget strongly recommends early enactment of S. 1229. The Department of the Interior and the Department of the Army concur in this recommendation.

This concludes my statement, Mr. Chairman.

Senator JACKSON. Mr. Staats, I wonder if you or your assistants who are here could give the committee a brief review of the procedures that are now followed in determining whether or not recreation and fish and wildlife benefits are to be included in a given project, and then relate that to what it would be under the pending bill? I think this would provide necessary background for the bill's consideration.

Mr. STAATS. Yes, Mr. Chairman. It has only been since 1961 that administration policy has favored the full development of recreation as a part of multipurpose development, so that it would share in the benefits of the project.

Previous to that, the joint costs were allocated for other purposes, and only minimal facilities for public protection were provided at the time the project was authorized.

Subsequently, in connection with the Department of the Army projects, there was authority to add from year to year small amounts of money for facilities in connection with these projects.

The Department of the Interior has not had that authority. I think it is fair to say that we have not had a uniform, general policy with respect to the provision of these separable facilities.

In the 1962 river and harbors bill there was authorized a number of projects which had recreation facilities attached to them. These were authorized on the basis of a maximum allocation for recreation of 25 percent of the total project cost.

A number of those projects received no separable benefits, but a large number of them did.

The average, I believe, for those that did ran something about 14 percent of cost sharing.

This policy, however, as far as the executive branch is concerned, was regarded as an interim policy, and they were so cleared on that basis. It is fair to say that we do not now have either an executive branch policy or a congressional policy applying to this very important area.

It has been handled pretty much on a project-by-project basis, and we feel that with the growing importance of recreation, and the importance of the concept of utilizing these multiple-purpose projects to the maximum degree for recreation purposes, that there ought to be arrangements, orderly arrangements, to treat both the Department of the Army and the Department of Interior projects on the same basis, and on a basis which will recognize a Federal interest and responsibility, but at the same time provide for local operation and maintenance of these facilities, and with some sharing by the locality in the separable cost.

We are convinced, Mr. Chairman, that this legislation would not only assist both the Congress and the executive branch, in handling a very troublesome problem, but also that we will receive a great deal more local interest; we will get more recreation around the Federal projects than we would otherwise achieve.

And the thing which I believe will be attractive to all concerned is that this will enable the community, on a project-by-project basis, to come into agreement with the Federal construction agency as to how much recreation they actually want in connection with that project, so that in terms of the land to be acquired around the reservoir, in terms of the extent of the initial development, and things of that nature can be taken into account at the time the project is authorized, and agreement can be reached at that time as to how much, in effect, the community wants to pay for it.

This, we think, will be attractive to the communities.

Also, we feel that the fact that they have great flexibility in the way in which their 50 percent of the separable costs will be repaid gives them all of the flexibility that they will need.

They can either pay for it in kind, they can pay for it over a period of time, with interest, as we do with other reimbursables at the present time in connection with these projects, or they can set up a user fee system and the Federal Government will take its payment out of the user fee system, so that we think this gives great flexibility to the community in the repayment of the 50 percent of the separable costs which would be provided.

Senator JACKSON. I think what concerns many of us is whether or not these cost allocations will be realistic or whether they will be fictional. I think we all are aware of the danger that projects will be pushed which are not otherwise feasible, but can be made feasible by large allocations to fish and wildlife, recreation, and so on.

This is a matter of continuing concern every time we have a project up here, and the same has been true in the past concerning the proper measurement of allocation and nonreimbursable cost to flood control, navigation, and so on.

I would like, if you could at this time, for you to indicate what kind of review or scrutiny will take place in determining whether, in a given project, the allocations will be realistic or whether there is a danger of their being fictional, or a mixture of both.

Mr. STAATS. Well, the 1962 standards received a great deal of thought and attention by all of the agencies. We feel that those are the most realistic that we can develop as of today. But I would like to say this, Mr. Chairman, with respect to your point. We believe that the incentive here, provided in this bill, will tend to provide a brake on the very concern that you have, because if the community wants a full development for recreation around a project, it does so knowing that 50 percent of the separable costs involved in that project for recreation and fish and wildlife will be paid for by the State or by the community.

Senator JACKSON. Right at that point, so we can clarify the record, I wonder if you could give a distinction between the joint costs and the separable costs. For instance, take a typical project which involves the building of a dam with the reservoir providing, of course, recreational benefits and fish and wildlife benefits. I wonder if you could

indicate what the contribution would be in connection with the separate costs in a project that runs into millions of dollars, but the only thing that is needed after the project has been completed is to provide, we will say, picnic tables, and maybe some road access, and a few things like that.

It is a real small contribution, isn't it, that we are talking about which would be paid by the community, in comparison with the overall costs?

Mr. STAATS. As you know, the joint costs involved here apply to those costs for the part of the structure for which all of the purposes share in common. The allocation of those costs are then in terms of the benefits. In order to receive full benefits, under the 1962 standards, there must be this agreement in advance for projects authorized after January 1.

In other words, in terms of the value per visitor day, and in terms of the numbers of visitors who would be assumed to visit this project, this would depend upon the execution of an agreement, or statement of intent. If the community, therefore, wanted the higher allocation of benefits, it does so on the basis of an agreement that they are going to pay 50 percent of these separable costs.

The separable costs will vary, as you know, from case to case, but this could include, for example, an increase in the height of the dam in order to enlarge the size of the reservoir pool.

Senator JACKSON. If it were being increased for the sole purpose of recreation?

Mr. STAATS. For the sole purpose of recreation, or fish and wildlife, or it could include subimpoundments on the streams above, say, for fishing purposes, or it can include more land, in order to enlarge the area for which recreation potential will be provided, or it could include more roads and trails, more boat launching ramps.

In other words, the kinds of things that would go with full development.

Now only with the full development of these projects could a community receive the maximum benefits allocated for recreation under the 1962 standards. If they decided not to come into the arrangement it would still be possible for the Federal Government to reserve the land around the reservoir against the possibility that such an agreement might be reached sometime during this 10-year period. In the event that there was no indication of intent in writing from the community, then they would receive the minimum allocation of benefits. In terms of visitor days, it would be assumed that fewer visitors would visit the project, and I think this is quite reasonable and logical, and it would also be assumed that there would be less value per visitor-day for visitors coming to the project.

I think this is also very reasonable and logical. So it seems to me that the incentive here on the part of the community to maximize the allocation for fish and wildlife and recreation is going to be contingent and dependent upon their willingness to undertake an agreement, and so share half of the costs of these separable costs involved.

Now we have considered what our position should be with respect to the joint costs which you mentioned. It has been our feeling that these joint costs should not be a charge in the cost-sharing arrange-

ment, because these joint costs are there because of the fact that this dam is going to be constructed primarily for other purposes.

In other words, what I am saying is that we do not foresee any situation where you would build a multipurpose project primarily for recreation purposes. The primary reason you would be building that project would be for power, or for municipal industrial water supply, or for irrigation, or flood control, so that we do not feel that it would be fair and appropriate to charge the joint costs of these projects to the recreation users.

Similarly, we do not feel that it is fair and proper that these joint costs allocated to recreation should be reimbursed by the other reimbursable purposes, such as power and municipal industrial water supply.

Senator JACKSON. How accurately can you determine the costs, when you move into the area of fish and wildlife and recreation? Isn't there a substantial element of speculation? You have to try to project as best you can what the benefits are.

Mr. STAATS. I would think our ability to estimate costs would be really much better than with respect to our benefits.

Senator JACKSON. I am referring to the benefits. I am sorry. Especially in the fish and wildlife area. How do you determine those costs?

Mr. STAATS. Mr. Chairman, I would like to refer at this point to a statement of policies, standards, and procedures, in the formulation and evaluation and review of plans for use of water and related land resources, and this one relates to outdoor recreation benefits, developed by the Ad Hoc Water Resources Council, and issued in June of last year.

This was developed by the Departments of Agriculture, Army, and Interior, and the Department of Health, Education, and Welfare.

We have reviewed this. We feel that it represents a good job, and a careful job. I think in terms of the details as to this, you might prefer to hear from either the Department of the Army or the Department of the Interior on it, but we feel it is a careful job, and we have no basis, really, for differing or quarreling with the approach that they have developed there.

Senator JACKSON. What kind of an agreement would you enter into with the local community? You say that at the outset there would be a statement of intent as to what they proposed to do, which would give you the justification of allowing for a more liberal writeoff than you would otherwise. Is it merely a statement of intent, a unilateral statement without any contractual agreement?

Mr. STAATS. We feel that in most cases, there can be a firm agreement, contingent upon the authorization of the project by the Federal Government.

In most cases, we think that this will be the way it will be done: Where that firm agreement can't be reached in advance of the project authorization, the bill would still permit the maximum allocation on the basis of a statement of intent in writing from the community that it proposes to do this, but the firm agreement would still have to be reached before any money was spent for construction, so that prior to construction, in either case, there would have to be a firm agreement reached with the State government, or with the county, or with the

city, or some other non-Federal interest, with respect to the 50 percent cost-sharing on the separable features of the project.

Senator JACKSON. And what would be the penalty if they failed to live up to it?

Mr. STAATS. If they failed to live up to it?

Senator JACKSON. Yes, if they failed to carry out, we will say the arrangement to develop the recreational area, to put in the picnic tables and roads, and so on. Would there be a recomputation of the costs after the project was finished, or what would be the remedy for failure to adhere to the agreement?

Mr. STAATS. I would presume, Mr. Chairman, that the remedy would be that you would not proceed with the development at such point as it became clear that they were not going to live up to it, but by and large the Federal Government would be turning over the project for State and local or non-Federal management, so that the problem would be with the community, rather than between the community and the Federal Government.

Senator JACKSON. But the project is finished. You have completed the project, you have built the dam, and now what remains, of course, is to develop the recreational area, which is to be done by the local entity, whether it is the city, the county, or the State, but they decide they have too many other expenses, and they are going to renege on this.

I am just wondering what the procedure would be, what remedy the Federal Government would have, in that case?

Mr. STAATS. I would think the Federal Government would have to still collect from the community the 50-percent share of the costs which it had incurred for separable features of the project. It would seem to me this would be in order. I do think it would be very difficult to go back and recompute the benefits, and reallocate the benefits to other project purposes.

It seems to me that this could not be done, because agreements already would have been reached with respect to other uses of the project that are reimbursable in character. I believe this would not happen in very many cases.

It would seem to me that the incentive is here, the agreement has been entered into. I would think this situation you mention would be rare and quite exceptional.

Senator JACKSON. I wonder if you would supply the committee with a representative list of Federal multiple-purpose water projects recommended by the Bureau of the Budget that include significant allocations to recreation and fish and wildlife?

Mr. STAATS. We have such a list, Mr. Chairman, in order to be able to assure ourselves as to what the practical effect of this would be.

Senator JACKSON. Would you indicate the ones that have already been approved by the Congress?

Mr. STAATS. I have a fairly long list here. I can supply them for the record.

Senator JACKSON. All right, supply it. We will include it in the record.

Mr. STAATS. All right.

(The material referred to follows:)

Recreation cost sharing

[Dollars in thousands]

Project	Total cost	Recreation and fish and wildlife allocation	Required cost sharing S. 1229	
			Federal	Non-Federal
BUREAU OF RECLAMATION				
1. Auburn-Folsom South, Calif.:				
Forest Hill Divide	\$7,523	\$1,465	\$1,240	\$225
Folsom Malby	11,916	4,255	3,930	325
Auburn and Folsom South	391,731	38,947	33,545	5,402
Total	(411,170)	(44,667)	(38,715)	(5,952)
2. Lower Teton, Idaho*	52,034	73	40	33
3. Palmetto Bend, Tex.:				
Stage 1	29,565	9,736	9,453	283
Stage 2	18,585	6,072	5,929	143
Total	(48,150)	(15,808)	(15,382)	(426)
4. Columbus Bend, Tex.	25,421	13,749	12,999-12,152	750-1,597
5. Merlin, Ore.	14,710	448	300	148
6. Bostwick Park, Colo.**	3,923	1,455	1,290	165
7. Garrison, N. Dak.-S. Dak.	248,234	34,707	32,277-29,597	2,430-5,110
8. Mid-State, Nebr.	84,202	10,899	10,384-9,818	615-1,081
9. North Loup, Nebr.	47,531	1,905	1,666	239
10. Dixie, Utah*	44,577	4,446	4,088	358
CORPS OF ENGINEERS				
1. Grand River, Mo.:				
Pattonburg	101,810	25,112	23,557	1,555
Trenton	43,410	20,670	14,515	6,155
Mercer	21,410	8,153	6,048	2,105
Linneus	34,460	13,581	8,851	4,730
Brookfield	13,160	3,675	2,595	1,080
St. Catherine	12,240	3,733	2,513	1,220
Braymer	25,530	9,258	6,243	3,015
Total	(252,020)	(84,182)	(64,322)	(19,860)
2. Chariton River, Mo.:				
Thomas Hill	4,940	1,956	1,661	295
Long Branch	5,250	1,859	1,329	530
Total	(10,220)	(3,815)	(2,990)	(825)
3. Kaysinger Bluff, Mo.*	131,210	24,010	22,240	1,770
4. Joanna, Mo.*	70,600	15,684	14,944	740
5. Lake Sonoma, Calif.*	42,420	12,250	10,570	1,680
6. New Melones, Calif.*	122,000	5,300	4,973	327
7. St. Clair, Ariz.	5,360	336	298	38
8. Marysville, Calif.	132,900	33,710	24,210	9,500
9. Applegate, Ore.*	16,400	8,886	8,412	474
10. Catherine Creek, Ore.	7,749	2,297	1,985	312
11. Justice, W. Va.*	60,477	2,199	1,176	1,023
12. Alum Creek, Ohio*	22,540	4,853	3,459	1,394
13. Buck Creek, Ohio*	7,960	1,465	1,028	437
14. Big Pine, Ind.	15,000	3,624	2,945	679
15. Woodcock, Pa.*	6,934	1,080	1,051	29
16. Rowlesburg, W. Va.	132,514	6,388	4,614	1,774
17. Oakley, Ill.*	34,600	3,070	2,405	665
18. La Farge, Wis.*	14,894	2,745	2,170	575
19. Tennessee Colony, Tex.	137,138	14,948	8,906	6,042
20. Wallisville, Tex.*	9,973	2,746	2,536	210
21. Kaw, Okla.*	83,300	16,418	15,990	428
22. Waurika, Okla.*	25,853	4,140	3,672	468
23. Pat Mayse, Tex.*	9,677	4,735	4,253	482
24. Douglass, Kans.	18,143	3,912	2,924	988
25. Clinton, Kans.*	30,700	5,994	5,385	609
26. Woodbine, Kans.	17,600	5,250	4,250	1,000
27. West Point, Ga.*	53,000	13,991	13,222	769
28. Spewrell Bluff, Ga.*	70,000	12,097	10,103	1,994
29. New Hope, N.C.*	25,612	7,131	6,510	621
30. Falls, N.C.	18,600	2,996	2,096	900
31. Six Bridge, Md. and Pa.	14,374	6,943	6,084	859
32. Staunton, Va.	24,086	6,931	6,118	813
33. Royal Glen, W. Va.	30,608	4,867	3,985	882
34. West Branch (Potomac), Pa.	11,640	5,542	4,618	924

See footnote at end of table.

[Dollars in thousands]

Project	Total cost	Recreation and fish and wildlife allocation	Required cost sharing S. 1229	
			Federal	Non-Federal
35. Winchester, Va.-----	10,977	4,588	4,016	572
36. Seneca, Md. and Va.-----	101,789	28,873	16,672	12,201
37. Raystown, Pa.*-----	32,150	11,363	9,363	2,000

* These projects have been authorized. They are shown for comparative purposes only. As authorized there is no required local cost sharing for recreation or fish and wildlife enhancement.

** Authorized project. About \$200 in excess of nonreimbursable limits will be reallocated and borne by power users.

NOTES

For all projects followed by 1 or 2 asterisks, and all Bureau of Reclamation projects except Palmetto Bend, Tex., a project report has been cleared by the Bureau of the Budget.

The data contained in these tables was taken from project reports which had not been developed under the provisions of S. 1229. Accordingly, it is anticipated that these figures will change when the project reports are modified to conform with the provisions of S. 1229.

Senator JACKSON. And this list includes pending projects and those that have already been approved by you?

Mr. STAATS. That is right. Now those projects requiring cost sharing on the list which is being furnished you would still be based on maximum development and the situation could arise, as I have indicated, that the community might prefer something less than maximum development, and this would have to be worked out between the construction agency and the community, case by case.

Senator JACKSON. I understand the Interior Department has recommended substitute language in connection with the section repealing provision 9 of the Fish and Wildlife Coordination Act. Have you had a chance to review that substitute language?

Mr. STAATS. I understand we have.

Senator JACKSON. The substitute language is on pages 8 and 9 of the committee print of the bill.

Mr. STAATS. I understand that this has been reviewed, Mr. Chairman. We are agreeable.

Senator JACKSON. You are agreeable with the substitute language?

Mr. STAATS. Yes.

Senator JACKSON. Fine.

Senator Allott?

Senator ALLOTT. I will pass for a moment.

The CHAIRMAN. I think Senator Simpson has another commitment, and I will ask him.

Senator SIMPSON. It has been postponed.

Senator JACKSON. Fine.

Senator SIMPSON. Mr. Chairman, I do have a question. Mr. Staats, what is embraced with the term "non-Federal body"? Is that just official, or quasi-official, groups? For instance, could the Lions Club, or the Kiwanis, enter into an agreement such as this?

Mr. STAATS. It would be a public body. It might be State, county, city, or it might be a public jurisdiction created pursuant to State law which would have the authority to carry on recreation programs. It could be a school district, for example. We think great flexibility here is in order to enable the community itself to utilize the Federal water project on a basis which will meet their particular requirements.

Senator SIMPSON. This bill is a little complicated to me, and I wonder if you would confirm my feeling here, or can confirm my feeling. As I understand the bill, within 10 years after the initial construction of the project the non-Federal body can execute an agreement providing for its administration of the project area. It will be required to assume one-half of the cost of land and facilities and modifications, and all costs of operation, maintenance, and replacement.

Do you first have an original letter of intent, or an original firm-up agreement, with that proviso in it?

Mr. STAATS. We would expect that there would be a firm agreement, in most cases, before the project is submitted for authorization. Where it is not possible to reach a firm agreement before the project is authorized, we would still permit the project to receive maximum benefits for recreation, fish, and wildlife, if there is a statement of intent on the part of the public non-Federal body to share 50 percent of the costs of these separable features.

Senator SIMPSON. And they could take over and assume half of the cost?

Mr. STAATS. That is right. Before the project was constructed, before any money was spent in connection with the construction of a project, we would expect in all cases that there be a firm agreement to pay 50 percent of the separable project costs.

Senator SIMPSON. Then do I understand correctly that in this bill, if there is no agreement made within a 10-year period, the Government agency can dispose of the land?

Mr. STAATS. At the end of 10 years. The Federal Government could still acquire land, you see, at the time the project was constructed, looking forward to the possibility that in that 10-year period, the population might grow, or the community might change its mind, and would want to come in on a cost-sharing basis to develop the recreation potential of that reservoir. At the end of 10 years, if no agreement has been reached with a non-Federal body, then the Federal Government could dispose of the land for purposes which would not be inconsistent with the purpose of the reservoir.

Senator SIMPSON. I notice in the proposal that if there is an intention to dispose of the land at less than market value you would first have to have the approval of the President. Where is the precedent for that, in the executive branch or the legislative?

Mr. STAATS. There are precedents for this. TVA is a case in point, where such disposals have to have Presidential approval. These approvals are delegated, in the case of TVA, to the Budget Director and the President does not have to personally see them. But they could go to the President, if there was an issue of sufficient importance to warrant his attention.

Senator SIMPSON. That is all I have.

Senator JACKSON. Senator Gruening.

Senator GRUENING. On page 3, beginning on line 11 of the bill, that paragraph is a little confusing to me. It reads:

Provided, That the costs allocated to recreation or fish and wildlife enhancement shall not exceed the lesser of the benefits from those functions or the costs of providing recreation or fish and wildlife enhancement benefits of reasonably equivalent use and location by the least costly alternative means.

I wonder whether you could explain what this means?

Mr. STAATS. What this provision does, in effect, is to say that after you have calculated the benefits for recreation and fish and wildlife for a project, you take as your ceiling the amount which would be required, or the equivalent cost of providing those same benefits from a non-Federal development, so that you do not in effect spend more money than you would have to pay to provide equivalent benefits on some alternative basis.

This would apply, Senator, in some cases, for example, where you might have recreation access near the ocean, or near other water supply sources, so that you would take as your test, your maximum, the benefits for this project that would be provided for on the least costly alternative method of providing the same benefits.

Senator GRUENING. Thank you very much, Mr. Staats.

The CHAIRMAN. Senator Simpson.

Senator SIMPSON. I noticed under the bill that the secretary is given broad authority to enter into agreements with Federal, State, or local public bodies to administer project land and water areas upon such terms and conditions as will best promote the development and operation of such lands for recreational purposes.

It sounds to me like an overlapping jurisdiction of Federal control and State control of water. Would you spell that out?

Mr. STAATS. I do not think that it is. What is contemplated here is that the Federal Government would enter into an agreement whereby the State or local or non-Federal bodies would take over the administration of these areas for recreational purposes if they are not inconsistent with the purposes of the Federal reservoir projects.

Senator SIMPSON. Will it be within the land over which the Secretary has authority at the outset?

Mr. STAATS. That would be correct, yes.

Senator SIMPSON. It is no threat to the State's priority of water rights?

Mr. STAATS. No, not at all.

Senator JACKSON. Senator Fannin.

Senator FANNIN. Mr. Chairman, and Mr. Staats, I was wondering about one of these provisions, specifically section 2(a), which would make it possible for navigation projects to be justified as economically sound by evaluating recreation or fish and wildlife benefits and assigning them to certain costs, particularly joint costs, as contemplated by section 2(a) (3) that otherwise would be assigned to navigation. The question arises as to whether or not, that some navigation projects might be considered feasible where otherwise they would not be considered practical, if these additional costs were not assumed under this provision.

In other words, here you have a competitive situation, of navigation by water, as against, say, rail or other modes of transportation—truck—that could be more competitive or could be placed in a competitive position because of recreational or fish and wildlife costs being used under this provision.

Mr. STAATS. Yes, I understand your question. I think the policy which is involved here is the question of whether or not benefits from fish and wildlife and recreation are to be included in determining the overall economic feasibility of any water resource project, and navigation could be one of the types of projects that would be involved.

It has been the policy of the administration now since 1961, as I indicated a while ago, to include the benefits for recreation, fish and wildlife enhancement in determining the overall economic feasibility of the project. But in doing so, each of these purposes had to stand on its own feet, and that is, the benefits for each separate purpose has to be in excess of the cost of that separable feature.

While the addition of fish and wildlife and recreation may mean that some projects would be economically feasible under this policy, which would otherwise not be feasible without them, it still does not mean that the situation that you describe could actually come about.

Navigation would still have to stand on its own feet.

Senator FANNIN. That is all. Thank you.

Senator JACKSON. Senator Allott.

Senator ALLOTT. I have just one question, Mr. Chairman, and it may be a minor thing, but I think we might as well clear it up.

The bill provides that, after 10 years of operation, a non-Federal public body can take over a recreation area by executing an agreement to administer the area and assume 50 percent of the cost of lands, facilities, and modification, and 100 percent of the operation, maintenance, and replacement costs.

Does this mean that the non-Federal public body pays the 50 percent and 100 percent from the date it got in on the project, or is this 50 and 100 percent retroactive to the date of initiation?

Mr. STAATS. It could be either. In case they made the agreement at the outset, they would take over at the time the project is constructed and completed, and their responsibility for operation and maintenance would take place at the agreed time of the takeover.

If they decide to come in at a later time, then they would presumably take over at such time as they entered into that agreement. It would not be retroactive.

Senator ALLOTT. Well, let's put it on another basis, then, Mr. Staats. After 10 years, for example, with respect to the physical features, lands, facilities, and that sort of thing, would this be figured on the basis of 50 percent of the cost at the time of original construction?

Mr. STAATS. Well, the purpose of the 10-year provision is simply that, in the event the community may have a need for this recreation but is not able or willing to enter into an agreement at the time the project is constructed, it will make it possible within a 10-year period for them to still come into an agreement with the Federal Government for the full development of recreational potential of the reservoir or part of the reservoir. If they decide at the end of 10 years that they do not have any interest in development of the project, then the Federal Government would be under no obligation to hold the land any longer for that purpose.

It could go ahead and sell the land for some other purpose. But the idea of the 10-year period is to make non-Federal development possible because, in many areas where you have a Federal water resource project, the population is going to grow; the community is going to get new industry; and there could be a need and an interest for recreational development at any time during the 10-year period.

A 10-year period was selected arbitrarily. It could be 5, it could be a longer period of time. We thought 10 years was a reasonable period of time to hold the land.

Senator ALLOTT. That is all I have.

Senator SIMPSON. Mr. Chairman.

Senator JACKSON. Yes. Senator Simpson.

Senator SIMPSON. Mr. Chairman, I want to ask Mr. Staats about one of the provisions of the bill. This disturbs me. On page 5 of your statement the second full paragraph says:

If there should be cases where non-Federal interests are unwilling or unable to share recreation and fish and wildlife costs, however, the construction of water resources projects for other purposes would not be hindered under the provisions of S. 1229.

Will you spell out what is meant by that?

Mr. STAATS. Yes. We would still recommend the project, if it were economically feasible and economically justified. We would simply not provide for the full benefits for recreation, fish and wildlife that would otherwise take place, because we would assume fewer visitors; we would assume less use of the recreation facilities; and we would assume, therefore, that the recreation feature of the reservoir has less value to the project.

The other purposes of the project, however, would still go ahead and be constructed.

Senator SIMPSON. What do you mean by "other purposes"?

Mr. STAATS. Power, flood control, irrigation; any other purpose for which the project was constructed.

Senator SIMPSON. Well, I want to observe, Mr. Chairman, that if we had the simple direct language of Mr. Staats' in the bill, instead of some of the gobbledygook that is in there, I would be far more satisfied. I want to compliment you on your statement.

Senator JACKSON. Senator Burdick.

Senator BURDICK. Mr. Staats, to review your testimony a bit, the joint costs are nonreimbursable. The separable costs for enhancement are borne 50 percent by the Federal Government and 50 percent by non-Federal agencies.

Mr. STAATS. No; it is only the costs of the separable features of the project that would be on a cost-sharing basis.

Senator BURDICK. Well, I am just getting the terminology straightened out. The costs of enhancement are the same as separable costs, are they not? That which is not needed for the main project?

Mr. STAATS. Well, with respect to benefits, you would still calculate some benefits for recreation and fish and wildlife on a project, in any event, because the reservoir is there, it is going to be used, particularly in the Midwest where you and I come from. The area is flat, and the reservoir is going to be accessible, unless you put up a fence to keep people away from it.

Therefore, there are benefits, but we do not think you ought to calculate as many benefits, as much value, to that recreation, fish, and wildlife if you do not develop it as you would if you did develop it.

I think that is really all we are saying. Therefore, if the community did not come into an agreement to share in a percentage of the separable costs of features added solely for this purpose, then you would not calculate as high a benefit for that project for recreation, fish, and wildlife, as you otherwise would calculate.

Senator BURDICK. Well, in the bill where you have the definition of the term, the term "separable costs" will mean "the cost of each proj-

ect purpose which is the difference between the costs of the multiple-purpose project and the cost of the project with the purpose omitted."

Mr. STAATS. Yes.

Senator BURDICK. In other words, separate costs is a cost that isn't really necessary to the main purpose of the project.

Mr. STAATS. That is correct. Any specific separable costs which are involved that would not be there unless you were going to provide for recreation, fish, and wildlife enhancement.

Senator BURDICK. Now I am getting to the practical question. I can understand how a non-Federal agency such as the State or a county can charge user fees for use of a reservoir, or a restored lake for recreation, boating, fishing, and the like, but in a project in North Dakota that I am concerned with we have some enhancement for wildlife, to wit: "breeding grounds, necessary particular grounds, for duck population." North Dakota has been aptly termed "the duck factory of the Nation."

Ground is going to be acquired for this purpose—propagating ducks. How do you charge user fees along the fringes of these projects in the marshes and the wetland for ducks?

Mr. STAATS. Is this a Federal refuge?

Senator BURDICK. Yes; it would be part of a Federal project.

Mr. STAATS. If it is a Federal refuge then the bill provides that that does not come within the purview of the cost-sharing arrangement we are talking about.

Senator BURDICK. No; this is incident to the project. There would be some enhancement for the propagation of ducks.

Mr. STAATS. Well, in that event, if it were simply located in a situation where it was attractive as a game source, then it seems to me that it comes in just like fish, or any other recreation purpose.

Senator BURDICK. Mr. Staats, these areas are scattered for miles around. They are low spaces; they are sloughs; they are swampy areas that are conducive to raising ducks. It would be very difficult to mark off a place where you could charge a user fee.

Mr. STAATS. But in the event that you did not incur the extra cost for special development of those projects, and I assume that that is the case in the illustration you have, then there would be no separable cost to be shared.

Senator JACKSON. Any further questions of Mr. Staats at this time?

Thank you, Mr. Staats. We appreciate having your helpful testimony.

Mr. STAATS. Thank you.

Senator JACKSON. We had planned to call Secretary Holum next. However, Mr. Weber has a commitment—an important one—at 12 o'clock, so if you don't mind, Secretary Holum, we will hear him next. Therefore, with Secretary Holum's acquiescence, we will have your statement at this time, Mr. Weber.

Mr. WEBER. Thank you, Mr. Chairman.

Senator JACKSON. Mr. Weber represents the Corps of Engineers.

STATEMENT OF EUGENE W. WEBER, DEPUTY DIRECTOR OF CIVIL WORKS DIVISION, CORPS OF ENGINEERS

Mr. WEBER. Mr. Chairman and members of the committee, I am Eugene W. Weber, Deputy Director of Civil Works for Policy in the the Office of the Chief of Engineers. I am appearing to present the views of the Department of the Army on S. 1229, a bill to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control.

The Department of the Army concurs in the recommendation of the Bureau of the Budget that this proposed legislation be enacted. Representatives of the Department participated in interagency discussions during 1964 which led to the formulation of the bill H.R. 5269 as substitute for H.R. 9032, which was considered by this committee at the last session of the Congress and which was reintroduced in this session as H.R. 52.

One of the most important objectives of S. 1229 is to encourage the States or other non-Federal public entities to assume responsibility for development, maintenance, and operation of recreational areas at Federal reservoirs.

This has long been a policy of the Department of the Army in its administration of the recreational aspects of its flood control and multiple-purpose reservoir program. The desirability of this objective was frequently brought out last year when the Congress was considering the Land and Water Conservation Fund Act, which was enacted on September 3, 1964.

The Department considers that S. 1229 will provide a practical and effective basis for bringing about a high degree of acceptance by non-Federal interests of responsibility for management of recreational use of Federal reservoirs.

Another important feature of S. 1229 is that any unwillingness or inability of non-Federal agencies to commit themselves to assumption of the responsibility for recreation at a specific project will not prevent the Federal Government from proceeding with the project in order to achieve other important purposes, such as flood control, which may be urgently needed.

In such cases, the Federal Government could go ahead with the project and acquire sufficient land to preserve the recreational potential, develop only the minimum facilities necessary to permit the public to have access to the reservoir.

The opportunity for non-Federal interests to develop the full recreational potential would be held open for 10 years after the start of such projects. The Department of the Army considers this an essential feature of the proposed legislation.

In summary, the Department of the Army considers that S. 1229 embodies all of the desirable objectives of H.R. 9032 on which the Department testified favorably during the previous Congress, and that S. 1229 is preferable to H.R. 9032 with respect to the prescribed

procedures for non-Federal participation in the development of recreational possibilities of Federal reservoirs.

The Department believes that the provisions of S. 1229 are equitable, practicable, and in the national interest and, accordingly, concurs in the recommendations of the Bureau of the Budget that it be enacted.

Senator JACKSON. Mr. Weber, what standards do you follow in making an evaluation and determination on recreation and fish and wildlife benefits?

Mr. WEBER. Mr. Chairman, we follow the standards that were developed jointly by the agencies a few years ago, and approved by the President, and printed as Senate Document 97, and also the supplement which was introduced by Mr. Staats during his testimony.

Senator JACKSON. Do you find that those standards are sufficiently adequate to prevent the fictional use of these benefits to justify a project?

Mr. WEBER. Yes, Mr. Chairman; I do. They constitute and attempt on the part of the agencies to establish reasonable values and criteria for selecting among this range of values, so that there will be some consistency in the estimates of benefits by all agencies, and so that there will not be a tendency to overestimate or attribute, as you term them, fictional values and get estimates that are quite unreasonable.

Senator JACKSON. Senator Kuchel.

Senator KUCHEL. No; I have no questions, Mr. Chairman.

I will take advantage, however, if you will permit me, to ask inclusion in the record of a statement in favor of the companion bill in the House of Representatives, H.R. 5269, as well as yours, submitted by the United Water Conservation District, a public agency organized under the laws of California, located in the county of Ventura, which is north of Los Angeles and south of Santa Barbara. I think this is a very well-reasoned statement in favor of this legislation.

Senator JACKSON. Without objection the statement will be included at this point.

Senator KUCHEL. Thank you very much.

(The statement referred to follows:)

STATEMENT OF WILLIAM P. PRICE, GENERAL MANAGER AND CHIEF ENGINEER, UNITED WATER CONSERVATION DISTRICT

The United Water Conservation District is organized under the laws of the State of California and embraces roughly one-third of the area of Ventura County in California. It has an area of approximately 340 square miles and a population of approximately 140,000 people.

Our principal function is the conservation of local water supplies. Our main available water source is the Santa Clara River which runs generally east and west through the length of the district. Two tributaries of this river, Piru Creek and Sespe Creek, have excellent storage reservoir sites.

For a period of several decades water usage has greatly exceeded the natural replenishment supply. This has resulted in severe overdraft of our ground water basins and the district organization in striving to relieve the critical overdraft situation through conservation of surface waters which periodically waste to the ocean.

Ten years ago, we constructed a surface storage reservoir of 100,000 acre-foot capacity on Piru Creek. That project was constructed under a locally financed bond issue. It has helped materially to relieve our water shortage. However, further conservation projects are urgently required.

We are now engaged in planning for development of two storage reservoirs on Sespe Creek. For this project we are working with the Bureau of Reclamation, and that agency is in the process of preparing a feasibility report on the pro-

posed conservation works. Following a determination of feasibility, we plan to apply for federally sponsored financing with arrangements for later repayment of reimbursable project costs by the district.

Our interest in H.R. 5269 (companion to S. 1229) stems from its potential effect on the repayment obligation that this district will incur in connection with the proposed project mentioned above.

The bill's objective of giving full consideration "to outdoor recreation opportunities and fish and wildlife enhancement where these can be provided or enhanced in the investigation, planning, construction, operation, and maintenance of Federal navigation, flood control, reclamation, hydroelectric and multiple-purpose water resource projects" is most commendable.

We fully agree that recreational potential should be a part of early project planning so as to obtain the best possible coordination with other project functions as well as with other existing and planned public recreational developments.

We are in accord with the bill's intended purpose of encouraging local public bodies to administer project land and water areas for recreation and fish and wildlife enhancement purposes where the projects are not included within areas particularly appropriate for Federal administration. Requiring repayment by the local agency of half of the separable project costs allocated to recreation and fish and wildlife enhancement is believed to be an equitable provision. Moreover the bill provides reasonable latitude in methods of repayment available to the local agency.

It is, in our opinion, reasonable and proper that the benefits of the recreation and fish and wildlife enhancement features of each project be taken into account in determining the economic benefits from the project.

As we understand the proposed bill, project costs serving two or more functions—one of which is recreational use or fish and wildlife enhancement—would be allocated among the various project functions according to the benefits accruing to each function. The bill provides that all such joint costs allocated to recreation and fish and wildlife enhancement shall be nonreimbursable.

This provision is, we believe, fair and logical in that it considers recreational functions of multipurpose projects as being within the sphere of national welfare interest and thus being of a nonreimbursable character similar to navigational and flood control functions. In contrast to legislation proposed in the 88th Congress, this bill does not attempt to impose artificial arbitrary limits which would make recreational cost allocations partially, rather than fully, nonreimbursable. Rather, it adopts the principle that recreation is a full and equal partnership function in multiple-purpose projects, that this function is properly considered of national interest rather than local and accordingly nonreimbursable, and that the extent of cost allocation and the related nonreimbursability are most fairly determined through established accounting procedures based on proportional benefits. We believe that adherence to this principle will result in the most equitable sharing of costs among the various functions in a given project. Also, all federally sponsored projects will be placed on a uniform cost allocation system.

It is the opinion of United Water Conservation District that H.R. 5269 should be enacted. It is respectfully requested that our views as expressed in this statement be made a part of the record of hearings on this proposed legislation.

Senator JACKSON. Senator Gruening.

Senator GRUENING. Mr. Weber, on page 3, line 4 of the bill, I read:

The benefits of the project to recreation, fish and wildlife enhancement shall be taken into account in determining the economic benefits of the project.

Now in a project such as the Rampart Dam, which the Corps of Engineers has studied for about 4 years, would you assume that the corps would have some voice in determining the benefits, or would this be left wholly to the Fish and Wildlife Service?

Mr. WEBER. The corps would have a voice, Senator. Our practice is to work with the Fish and Wildlife Service in formulating the project, and estimating the fish and wildlife benefits, as well as all other fish and wildlife considerations that are involved. It is really a joint effort.

Senator GRUENING. Well, the reason I ask is because there are, in my view, some extremist conservationists in the Fish and Wildlife Service who feel that the Rampart Dam will be wholly destructive of fish and wildlife resources. This view is completely contrary to that taken by the majority of Alaskans, and by others. We hope that a sane and reasonable view will prevail, and that the benefits of a lake such as that which would be created by the reservoir would not be completely neglected, which so far seems to have been the case with the report of the Fish and Wildlife Service, and that the total value of this project, the economic value, will be taken into full consideration.

I think this is a very important issue, and it arises not only in the case of Rampart, but in the case of other public power projects.

Those of us who are, as I am, fervent conservationists, are somewhat distressed by the presence of some of these extremists, who view it only from the standpoint of a duck or a blade of grass, or a flower, and never from the paramount interests of the two-legged species, who, after all, must have a habitat, too, and without an economy, he doesn't have a habitat, and I am glad to hear you say that you think the Corps of Engineers would have a voice in determining the relative importance of the fish and wildlife resources.

I hope that will be the case.

Mr. WEBER. Yes, sir; we will try to have as much of a voice as we can.

Senator JACKSON. Thank you.

Senator Kuchel.

Senator KUCHEL. Mr. Chairman, I have received a letter from the California Fish and Game Commission, signed by its president, Thomas H. Richards, Jr., expressing the commission's view that S. 1229 is a "bad bill," and opposing its passage. I ask that the State fish and game commission's views be made a part of the record.

STATE OF CALIFORNIA FISH AND GAME COMMISSION,
Sacramento, Calif., March 25, 1965.

RICHARD N. LITTLE,
*Minority Counsel, U.S. Senate, Committee on Interior and Insular Affairs,
Washington, D.C.*

DEAR MR. LITTLE: Thank you for your correspondence of March 15, 1965, transmitting S. 1229 to the fish and game commission for review and comment. Our staff will consult with the resource agency and have our detailed comments incorporated with their report.

From our viewpoint S. 1229 is a bad bill and the Fish and Game Commission of California oppose its passage.

Sincerely,

T. H. RICHARDS, Jr., *President.*

Senator JACKSON. Senator Allott?

Senator ALLOTT. I have just one question, Mr. Weber. In the case of a dam which has already been constructed by the corps—and I am thinking specifically of the John Martin Dam on the Arkansas River, which was started about 1939 or 1940, and then finally completed after the war—and in that legislation there was nothing done with respect to recreation. This is an area in which recreation is at a minimum, as you know, and we have had a very difficult time getting the Federal Government to do anything substantial there for recreational purposes.

In what way do you think this bill might affect those projects such as the John Martin Dam which had no recreational allocation at the time of construction?

Mr. WEBER. The bill does not directly affect such projects, Senator, although some of the policies and provisions of the bill might be applicable to any subsequent recreational development that we would undertake with respect to John Martin Dam and similar completed projects. We do have authority to request funds and to proceed with development of the recreational facilities at completed projects. So this can be done at John Martin Dam, as the need or as demand develops.

Senator ALLOTT. Well, the need is there, and has been present for many years, Mr. Weber. There seems to be a complete unawareness of the need for it. I wanted to be sure that there was nothing that you saw in this bill that would prevent the future development of the John Martin Dam area.

This is one of the few possible recreational areas in a vast area there—all of southeastern Colorado, western Kansas, the Panhandle, Oklahoma, and even the northeastern part of New Mexico—and we find on a given weekend cars from all of these areas in there, and yet a minimum of recreational area.

I would appreciate it if you would take a look at that, and let me know what can be done, and whether or not this bill would affect adversely future development there.

Mr. WEBER. I will be glad to do that, Senator. I am sure the bill will not affect the situation adversely, but I will specifically look into what can be done.

Senator ALLOTT. Thank you very much. I will be happy to supply you with any information you need on it.

Senator GRUENING (presiding). Senator Burdick?

Senator BURDICK. Mr. Chairman, I just want to say that I am pleased to know that the Corps of Engineers, the Department of the Interior, and the Bureau of the Budget all concur on a common cause.

Senator GRUENING. Any other questions of Mr. Weber?

Thank you very much.

Mr. WEBER. Thank you, Mr. Chairman.

Senator GRUENING. The next witness is Kenneth Holum, Assistant Secretary for Water and Power, Department of the Interior. Mr. Holum, we will be glad to hear you.

STATEMENT OF HON. KENNETH HOLUM, ASSISTANT SECRETARY OF THE INTERIOR FOR WATER AND POWER; ACCOMPANIED BY KARL LEE, BUREAU OF RECLAMATION; HENRY CAULFIELD, DIRECTOR, RESOURCES PROGRAM STAFF; DAN OGDEN, ASSISTANT DIRECTOR, BUREAU OF OUTDOOR RECREATION; JAMES McBROOM, ASSISTANT DIRECTOR, BUREAU OF SPORT FISHERIES AND WILDLIFE; AND JOHN WILKINSON, RESOURCES PROGRAM STAFF

Mr. HOLUM. Thank you, Mr. Chairman, and members of the committee. I have listened with a great deal of interest this morning to the fine presentation of Deputy Director Staats, and Mr. Weber from the Corps of Engineers.

I think that these excellent presentations and useful exchanges between the previous witnesses and the members of the the committee will make it possible for me, Mr. Chairman, with your permission, to just submit my statement for the record, and abbreviate it with a few remarks to call particular attention to some of the interests of the Department of Interior in this important Senate bill, 1229, which the Department of Interior, as Senator Burdick has noted, supports enthusiastically, together with the Bureau of the Budget and the Corps of Engineers.

Senate bill 1229 does affect the interests of many bureaus and agencies in the Department of Interior. The Bureau of Reclamation, of course, in my area of responsibility, is one of the Government's principal construction agencies. Senate bill 1229 affects its programs.

It also affects the programs of the Fish and Wildlife Services in the Department of Interior, National Park Service, and the Bureau of Outdoor Recreation.

For that reason, I have with me this morning a distinguished list of representatives from the Department of Interior, representing these areas of responsibility. Karl Lee, at my left here, is from the Bureau of Reclamation, and committee members, I know, know him well. Henry Caulfield, Director of the Resources Program Staff, is here.

Dr. Dan Ogden, Assistant Director of the Bureau of Outdoor Recreation, and James McBroom, representing the Fish and Wildlife agencies in the Department of Interior, are also here.

We hope that we can provide you this morning with any information that the committee desires with respect to these programs in the Department of Interior, and how they will be affected by Senate bill 1229.

We are considering this piece of legislation this morning, I am sure, because of the growing national interest, the growing nationwide recognition, that all agencies of the Government, from the Federal Government to the smallest local jurisdiction, must address themselves in the 1960's to a concentrated effort to provide more adequate outdoor recreational opportunities for a rapidly growing population, a rapidly growing population that has more leisure time available to it.

The interest in recreation has been stimulated in many different ways by the Senate Select Committee on Water Resources and the excellent job that they did, by your committee and the Congress itself. This committee certainly had a substantial hand last year in the passage of the landmark, Land and Water Conservation Fund bill.

Early in his administration, President Kennedy directed the four executive departments in the Federal Government, of which the Department of Interior is one, to consider new standards for the evaluation and formulation of water resource development projects.

This report was completed and was submitted to the President and approved by him. At the request of Senator Anderson, who was then chairman of this committee, these new standards were published by the committee, and we now refer to them as Senate Document 97.

Senate Document 97 sets out for consideration of all the executive agencies many basic principles. Probably the most important of all is the fact that the executive agencies, since the promulgation of Senate Document 97, have been directed to consider recreation and fish and wildlife as full partners in all multipurpose water resources projects that they propose.

I think I can emphasize the tremendous interest and importance of this type of activity by calling attention of the members of this committee, and I think you probably already know it, and recognize it better than I do, even, that during 1963, there were 34 million visitor-days chalked up at water resource development projects of the Bureau of Reclamation in 198 recreation areas in the 17 Western States.

Over one-half of the people who visit federally financed and managed recreation areas find their recreation opportunity at multipurpose water resource projects built by the United States.

I think the record is clear that our expanding population is looking for opportunities for outdoor recreation. Great amount of leisure time gives Americans more opportunity to do so, and a vast majority of the people like, and will continue to like, I am sure, to find their outdoor recreation at water-associated facilities.

So the legislation that you are considering this morning, as Deputy Director Staats has said, really serves two fundamental purposes: It sets up the standards that shall be applied by congressional approval in providing for the reimbursement, local participation, and Federal participation, in recreation facilities and fish and wildlife facilities that are provided at these multipurpose water resource projects. Important to us, of course, in the Department of Interior, the legislation gives to the Secretary of Interior the same authority that is enjoyed by the Secretary of the Army in planning these recreation facilities at multipurpose water resource projects under his direction.

The Department of Interior hopes that it will be possible for the Congress of the United States, the 89th Congress, to establish congressionally approved standards for the financial management of these important full partners now in water resource development.

As Deputy Director Staats has already noted, we have been without those standards. As I appeared before you, and other witnesses from the Department of Interior appeared before you on reclamation projects during the past 3 years, we have had to come before you without standards that have been approved by the Congress as far as reimbursability and nonreimbursability of these important features of water resource development are concerned.

Our projects a year ago were presented to you on the basis of H.R. 9032, which was the legislation that the administration sponsored at that time.

As Deputy Director Staats has noted the passage of the Land and Water Conservation Fund bill in our experience with H.R. 9032 has made it possible for us, and we think desirable, to present something substantially different in this type of legislation this year.

Congress did authorize one project, the Bostwick Park project in Colorado, on the basis of the standards provided in H.R. 9032, but I think that it would be highly advantageous to the committees, to the Congress, and certainly highly advantageous to the executive branch agencies, if we can have congressionally considered and approved standards available to us, in formulating these resources projects, so that we can come before you with projects formulated, with costs allocated, with financial management predicated on the basis of standards that have congressional approval.

So in the Department of the Interior, we support enthusiastically the type of legislation that you are considering this morning.

Rather than spend any more time explaining the bill—I think it has already been adequately explained to you, and you have had a very useful exchange on it—we will be happy to answer any further questions that members of the committee want to propose.

I thought it might be useful if we submitted to the committee some documentation of the effect of Senate bill 1229 on projects that we have under active consideration for submittal to the Congress during the 89th session, so I have a tabulation here of the effect, the application of Senate bill 1229 (H.R. 5269) on these projects that are pending before the Congress as it relates to H.R. 9032, the standards that we were using a year ago, and copies are available for the members of the committee.

One of two of the projects that we had under consideration last year and this year, and are very important projects, gave us a considerable amount of concern, because of the substantial involvement of recreation, and in the other instance of fish and wildlife benefits, the Auburn-Folsom South project in California, and the Columbus Bend project in Texas.

We have compared these two projects on the basis of present authority. Present authority, of course, provides that fish and wildlife mitigation and enhancement shall be nonreimbursable under the act of 1958, that costs for minimum basic facilities for recreation shall be nonreimbursable, and that no joint costs shall be allocated to recreation. We have compared these two projects on those bases.

We will be happy to submit copies of these tabulations to you.

The effect as far as recreation and fish and wildlife enhancement is concerned upon reimbursability is something like this. Under the existing standards, there would be no reimbursability for fish and wildlife and recreation. At the Auburn-Folsom South project, a total of \$24,821,000 would be allocated to these purposes, and would all be nonreimbursable.

Under the legislation that you are considering this morning, because of the authority to allocate joint costs to recreation, the total allocation to recreation would rise substantially. Of \$44,685,000, some \$5,726,000 would be reimbursable from local interests on a cost-sharing basis, and \$38 million would be nonreimbursable. On the Columbus Bend project, under the existing situation, none of the costs would be reimbursable, total nonreimbursable amount would be \$8,431,000. Under the standards established by the legislation you are considering this morning, \$750,000 would come from local cost sharing, and \$12 million—and these are principally benefits to migratory waterfowl—would be a Federal expense, and nonreimbursable.

Mr. Lee has called my attention to the fact that under the provisions of Senate bill 1229, recreation benefits would also be calculated in these projects. If the members of the committee are interested in these tabulations, we have copies.

You have had a discussion this morning, and I think a very useful one, related to different methods of cost allocations and the effect of these two bills. We have again—and I think it helps to set out graphically the effect of this legislation—taken two projects, the Auburn-Folsom South project, and the Tualatin project that the committee

considered a few days ago, to show the effect of this legislation as compared to H.R. 9032. On the Auburn-Folsom South project, there are no separable costs at the reservoir specifically provided for recreation purposes, so all of the nonreimbursable amounts under the legislation that you are considering this morning would relate to specific costs for recreation facilities.

On the Tualatin project, additional capacity is provided in the reservoir to provide a minimum pool for the benefit of the reservoir fishery, so certain costs of the reservoir itself, a specific part of the joint costs, is allocated to fish and wildlife, and part of that would be reimbursable—50 percent of it, as would 50 percent of the specific cost provided for these functions.

In very brief summary, we have picked these projects as illustrative of the effects of this legislation on projects under consideration in the Department of Interior. I think in conclusion, I would only like to say this: That the legislation that was proposed a year ago in which the reimbursable amounts came from the joint costs at the reservoir, under certain criteria that were established in the legislation, tended to require rather substantial amounts of reimbursement from a few projects. In contrast, most of the water resource projects built by the Bureau of Reclamation and the Corps of Army Engineers would not have any requirement for reimbursability.

Under the legislation you are considering this morning, which requires that the reimbursement come from 50 percent of the separable costs allocated to recreation, fish and wildlife benefits, you will find a small amount—a smaller amount, generally, of reimbursement required at practically all of the projects that are built by any of the Federal construction agencies.

Mr. Chairman, that concludes my statement. We would be happy to attempt to answer any questions that the committee wishes to put to us.

(The prepared statement follows:)

STATEMENT OF HON. KENNETH HOLUM, ASSISTANT SECRETARY FOR WATER AND POWER DEVELOPMENT, DEPARTMENT OF THE INTERIOR

Mr. Chairman and members of the committee, I am pleased to have this opportunity to appear before you to discuss and support S. 1229. This proposed legislation is designed to establish uniform Government-wide standards for the financial treatment of recreation and fish and wildlife features of Federal multipurpose water resource projects. It will establish procedures that I consider reasonable and equitable. If enacted, the legislation will make certain that recreation and fish and wildlife benefits receive the consideration they merit while projects are being proposed and planned, and it will expedite the work of both the Congress and the executive agencies.

This bill was introduced by your chairman at the request of the Director of the Bureau of the Budget. The Department of the Interior has been pleased to support and for some time participate in the efforts of the Bureau of the Budget and the House Committee on Interior and Insular Affairs in formulating a companion measure, H.R. 5269. Legislation of a similar nature was considered on the House side in the previous Congress. Today, I should like to address my brief remarks to those aspects of S. 1229 which bear importantly upon objectives and responsibilities of the Department of the Interior.

Viewing the outdoor recreation experience of the American people in its totality, and mindful of the major responsibility which the Department of the Interior exercises in this vital element of our national life, we regard S. 1229 as an effective measure to achieve major Federal water project recreation and fish and wildlife policy objectives. We also regard it as an effective solution to vexing, long-pending subsidiary policy questions. Although Federal water projects in the

past have been designed primarily for other purposes, they provide recreational opportunities for day visitors and campers numbering in the millions. The upward trend in recreational use of such projects is accelerating. We would all be derelict if we failed to consider those requirements while developing new projects and in the operation of existing projects. General legislation should recognize the national policy implications of this developing situation, and should promote coordination between Federal and non-Federal recreation and fish and wildlife interests. It would replace project-by-project legislation and the uncoordinated "less than the best" recreation planning and development of the past.

The overriding policy question remains as before: What specific provision for recreation and fish and wildlife enhancement should the Federal Government make in planning, constructing, and operating Federal water projects? A second policy question, of added significance since enactment of the Land and Water Conservation Fund Act of 1965, is: To what extent should the beneficiaries of project-related recreation development share in the cost to the Federal Government of making specific provision for such benefits?

S. 1229 addresses itself to these important questions, as did the proposal of the previous year, but the approach taken to their resolution provides greater clarity of detail and recognition of related legislation. This, and the attempt to anticipate an unavoidably complex variety of existing and potential situations, offers, we feel, assurance of successful implementation.

In essence, the bill provides that the benefits and costs of recreation and fish and wildlife enhancement purposes shall be taken into account on a par with other purposes in formulating and evaluating Federal water projects. It provides that costs shall be allocated among all purposes equitably, that not less than 50 percent of the separable costs of these purposes shall be borne by non-Federal public interests, and that remaining separable costs and all joint costs allocated to these purposes shall be nonreimbursable.

In order to effectuate these provisions, evidence of intent to agree to non-Federal management of project land and water areas for such purposes, and to cost sharing, is necessary before authorization of a project, and agreement is necessary before project construction. Repayment of shared costs by States or local interests may extend for 50 years, at interest rates comparable to those applied to other project purposes. The source of repayment may be a portion of entrance or user fees set by State or local interests. These fees would be subject to periodic review. Whether or not there is agreement on non-Federal administration and cost sharing before construction, lands may be acquired to preserve the potential of the site for these purposes.

When the ideal arrangement just described—namely, intent and subsequent agreement to non-Federal management and cost sharing from the outset—is not forthcoming, three other situations are anticipated:

- (1) Without agreement subsequent to authorization, construction of the project for other purposes may proceed but economic and financial evaluations could count only those limited benefits expected to arise from the project with the provision of minimum basic health and safety facilities for recreation and fish and wildlife enhancement. Resulting nonreimbursable joint cost allocations to these limited purposes would be reduced and allocations to other purposes would be increased. In this instance, we would expect that lands acquired to preserve the site potential would be treated in a deferred-cost category. They would not be considered when computing benefit-cost analyses. That is, potential benefits which might flow from the provision of such lands would not be accounted for in the benefit-cost ratio.

- (2) Agreement may be reached on non-Federal administration within 10 years after initial project operation for other purposes, in which case not less than 50 percent of costs of land, facilities, and project modifications for recreation and fish and wildlife enhancement would be borne by non-Federal interests. There would be no reallocation of joint costs.

- (3) If no agreement is executed within the 10-year period, lands acquired to preserve the site potential may be disposed of by a number of means set forth in section 3(b)(2).

These are the major provisions for dealing with new projects. For projects underway or completed upon enactment of this legislation, non-Federal manage-

ment agreements may be executed providing for operating charges of existing recreation and fish and wildlife facilities to be borne by non-Federal interests, and related land and facilities to be transferred at no cost.

It should be emphasized that this bill does not apply to national recreation, forest, or public land areas appropriate for Federal administration. Such areas are dealt with in the Land and Water Conservation Fund Act.

S. 1229 is careful to recognize the role of the Bureau of Outdoor Recreation in water resource planning, and provides assurance that analyses derived from its work be available to the Congress in its consideration of proposed water resource projects. This is accomplished by section 6(a) which requires that the views of the Secretary of the Interior, developed in accordance with section 3 of Public Law 88-29, be set forth in project reports, and that such views include a report on the extent to which proposed developments conform to State comprehensive plans developed pursuant to the Land and Water Conservation Fund Act of 1965.

S. 1229 also would amend the Fish and Wildlife Coordination Act so that fish and wildlife, as either a Reclamation or Corps of Engineers project purpose, would be treated on an equivalent cost allocation and reimbursement basis. That is, fish and wildlife damage mitigation would be subject to cost allocation procedures applicable to all project purposes and would no longer be fully nonreimbursable. This is consistent with legislative policy on treatment of water resources project mitigation costs of all kinds, including those of the Corps of Engineers.

There is a provision in this bill placing an expenditure limitation of \$28 million on lands or interest in lands to accomplish the Federal Government's obligation to conserve and protect migratory waterfowl. These expenditures are in addition to those made from the migratory bird conservation fund for refuges. The limitation applies only to expenditures for acquisition of lands or interests in lands which would not otherwise be acquired. This bill permits limited acquisition for incorporation into a migratory waterfowl refuge. We believe use of project funds for this purpose constitutes a sound management practice.

Section 6(g) of the bill provides that offsets from the land and water conservation fund shall not be made against the portion of project recreation and fish and wildlife enhancement costs not borne by non-Federal interests under this bill. This will preserve the land and water conservation fund for offsets against water project recreation and fish and wildlife enhancement costs borne entirely by the United States.

Section 7(a) of this bill provides general authority to the Bureau of Reclamation, as is now available to the Corps of Engineers, to construct, operate, maintain, and otherwise provide for public outdoor recreation development at existing and future water projects. Future plans in this respect will, of course, be contained in reports brought before the Congress for authorization. As to existing projects, the need for additional land and facilities would be reviewed under the general authority of this bill, and such construction programs as are justified would be undertaken upon approval of the Congress. The bill also provides authority to allocate water and reservoir capacity to recreation in reclamation projects, but such authority does not extend to existing or heretofore authorized projects. Finally, the bill gives authority to the Secretary of the Interior to enter into the agreements and transactions contemplated above with non-Federal entities or persons.

The Department's response by letter of March 19 to your request for views on S. 1229 elucidates some interpretations and corrects imperfections of composition and omission which we feel remain to be clarified in the measure. I will not dwell on these at present, except to say that legislation of such widespread effect as this cannot hope to answer all possible situations that may arise. I am thinking, for example, of a situation in which recreation or fish and wildlife costs may be incurred at an upstream reservoir, the benefits of which may only be realized far downstream and perhaps in two or more States.

A case in point is the Touchet division, Walla Walla project, in Washington, now in the process of authorization. This project is, in part, designed to maintain streamflow to enhance anadromous fisheries. Widespread beneficiaries utilizing commercial and sport fisheries along the Columbia River and in offshore Pacific waters would be virtually impossible to identify equitably. Difficulties of implementing cost-sharing agreements contemplated in this bill may, in such cases, require special consideration from time to time.

Senator JACKSON. Secretary Holum, during the last 5 years, have we had any irrigation and reclamation projects that have been submitted and acted upon that would not have been feasible except for the benefits that would accrue from recreation, fish, and wildlife?

Mr. HOLUM. Well, I can answer very positively as far as recreation is concerned, because up to this time, we have been without any authority to make any allocations to recreation.

I will check the record, Senator, to be absolutely sure, but I think that you will find the same thing is true as far as fish and wildlife is concerned, although there are projects or there can possibly be projects, considered in the Department of the Interior where the benefits to fish and wildlife are substantial, in the national interest.

And it might just happen that projects became feasible, because these benefits are there.

Senator JACKSON. Maybe you should check and see, and make sure that that is the case, as you have indicated. I have a feeling that some projects would be infeasible if it were not for the added recreation and fish and wildlife benefits.

I think we might as well be candid about it.

Mr. HOLUM. We will be happy to check.

(The information requested is as follows:)

Inspection of reclamation projects authorized in the past 5 years to determine if the project would be feasible without the functions of fish and wildlife and recreation

Project	State	Were functions included?		Is project economically feasible without fish and wildlife and recreation?
		Fish and wildlife	Recreation	
San Luis unit, Central Valley project.....	California.....	Yes.....	Yes.....	Yes.
Norman project.....	Oklahoma.....	Yes.....	Yes.....	Yes.
Crescent Lake Dam project.....	Oregon.....	No.....	No.....	Not applicable.
Mercedes division, lower Rio Grande rehabilitation project.....	Texas.....	No.....	No.....	Do.
Western division, The Dalles project.....	Oregon.....	No.....	No.....	Do.
Cheney division, Wichita project.....	Oklahoma.....	Yes.....	Yes.....	Yes.
Avondale, Dalton Gardens, and Hayden Lake Irrigation Districts.....	Idaho.....	No.....	No.....	Not applicable.
San Juan-Chama project.....	New Mexico.....	Yes (further studies authorized).	Yes.....	Yes.
Agate Dam and Reservoir, Rogue River Basin project.....	Oregon.....	No.....	Yes.....	Yes.
Arbuckle project.....	Oklahoma.....	Yes.....	Yes.....	Yes.
Upper division, Baker project.....	Oregon.....	Yes.....	Yes.....	Yes.
Delivery of water to Mexico.....	Arizona.....	No.....	No.....	Not applicable.
Fryingpan-Arkansas project.....	Colorado.....	Yes.....	Yes.....	Yes.
Mann Creek project.....	Idaho.....	Yes.....	Yes.....	Yes.
Oroville-Tonasket unit, Chief Joseph Dam project.....	Oregon.....	No.....	No.....	Not applicable.
Dixie project.....	Utah.....	Yes.....	Yes.....	Yes.
Lower Teton division, Teton Basin project.....	Idaho.....	No.....	Yes.....	Yes.
Whitestone Coulee unit, Chief Joseph Dam project.....	Washington.....	Yes.....	Yes.....	Yes.
Fruitland mesa project.....	Colorado.....	Yes.....	Yes.....	Yes.
Crooked River project extension.....	Oregon.....	No.....	No.....	Not applicable.
Pecos River Basin, reduction of nonbeneficial consumption use of water.....	New Mexico-Texas.....	No.....	No.....	Do.
Snettisham.....	Alaska.....	No.....	No.....	Do.
Spokane Valley.....	Washington.....	No.....	No.....	Do.
Bostwick Park.....	Colorado.....	Yes.....	Yes.....	Yes.
Savory-Pothook.....	Colorado.....	Yes.....	Yes.....	Yes.
	Wyoming.....			

Secretary HOLUM. Mr. Lee has asked to make a comment.

Senator JACKSON. Yes. Mr. Lee.

Mr. LEE. Mr. Chairman, we will check the record, and provide you this information, but in connection with this question, I think it is important to point out that the Senate Document 97 which has been referred to provides very definite standards to be used in project formulation. I consider the development of these standards that were clearly enunciated in this document as the most significant development that has taken place in the field of project planning for perhaps the last 10 or 15 years.

These standards indicate that you should select a core of a project, and add increments to that to the point where the benefits just equal the cost. At that point you stop. Then you can select other functions, and you will do the same thing. You would add increments to those functions to the point where the benefits just equaled the cost. Then after you have done this, after you have considered all functions, then you would check all functions that you have included to be sure that no function was included that could be served more cheaply in alternative ways.

When this is done, when you go through this project formulation, and we have done this for all projects that we have submitted since Senate Document 97, it follows that you can take your projects apart in the same way, and eliminate functions, and the remaining project is always justified.

And so I can say emphatically, for the last 3 years, we could have taken fish and wildlife and recreation, or any other function, out of our project, and strip it on down to the base with which we began and that base would still be a justified development in its own right.

Senator JACKSON. Now there was a document in the agency entitled "Separable Costs-Remaining Benefits Method of Cost Allocation," dated February 17, 1961. Did you use that as a guideline from the period subsequent to that date, and if so, until when?

Mr. LEE. Mr. Chairman, we have been using the separable cost-remaining benefits method of cost allocation as the major cost allocation method since, as I recall, 1954. At that time, there was an interdepartmental agreement between the Corps of Engineers, the Federal Power Commission, and the Department of the Interior regarding the use of that method as far as those three agencies were concerned.

During the period in which we have used that procedure, there have been some refinements in concepts that have gone into it, but that is the essential procedure which is now used.

If the committee would wish, we have copies of a table which we could distribute, and with those at hand, perhaps I could go through the basic steps involved in that method of cost allocation, so you would get a better understanding of the steps involved.

Senator JACKSON. I think it would be helpful, if it is not too detailed. I think the real problem that we face here, in the Congress, is to determine whether objectives which everyone would agree upon as sound and sensible are properly interpreted to carry out these objectives.

Mr. LEE. Well, Mr. Chairman—

Senator JACKSON. The question that I think we all would want to raise is whether or not a given useful program, such as fish and

wildlife and recreation, is being stretched to make feasible a project that would not otherwise be justified. This question applies whether we are talking about the Bureau of Reclamation projects or Corps of Engineers projects, or any other project. This has been a continuous problem all down through the years. We have had it in flood control, and navigation, all of which are nonreimbursable.

Mr. HOLUM. Yes, Mr. Chairman, we certainly agree that this is a matter that should be of concern to the Congress, and it has been a matter of great concern to the executive agencies, too.

This applies particularly to recreation, because the problem of allocating costs to recreation became a very real problem for the first time when we began to think of recreation as a full partner in water resource planning, think in terms of allocating costs to recreation, and to think in terms of some of those costs being nonreimbursable.

A considerable amount of effort has been devoted by the executive agencies, to refine as sharply as possible the methods that are used for allocating costs to recreation. I think an example of that can be found in what we did on our own motion, as far as the Auburn-Folsom South project was concerned. The project had been originally formulated without any thought of allocating costs to recreation on a nonreimbursable basis.

On that basis and when it was decided to make an allocation to recreation under the standards that were used at that time, if I remember correctly, \$86 million was allocated to recreation. When we began to think of some of this as being nonreimbursable, we took a very careful look at the Auburn project, and all of the standards that were used in recreation.

I think in particular relationship to this project, we have refined those standards so that now, if my memory is correct, it is \$35 million instead of \$86 million which was allocated to recreation at Auburn, and these are the standards we now use—we think they are carefully refined.

They have been carefully examined and the policies are used by all of the agencies now in making these allocations to recreation.

Senator JACKSON. Again, how much discretion is left within the standards to make a determination and finding for a given amount to be allocated to recreation or to fish and wildlife?

Mr. HOLUM. I don't suppose it is possible to ever completely eliminate discretion on the part of the people who are formulating these projects. But standards that are set out are as rigid as it is possible to make them, and all of the pressure from the executive agencies on the people who were formulating projects is that they follow them carefully and precisely.

When we tell them to look for the opportunity to provide the same amount of recreation someplace else at the lowest possible cost, I think they do it.

I am sure that members of this committee know that as far as benefits to recreation and fish and wildlife is concerned, these benefits are not estimated by the Bureau of Reclamation. They are a part of it, of course, because these are reclamation projects, but the basic work on benefits and single-purpose alternatives is done by the Bureau of Outdoor Recreation, the National Park Service, and the fish and wildlife agencies in the Department, just as we depend upon the Corps

of Army Engineers to determine for us the proper benefits for flood control and navigation, if there happen to be these functions in a reclamation project.

Senator JACKSON. But isn't it a lot harder to make a determination of the cost benefits in the case of recreation, fish and wildlife, than it is with reference to flood control or navigation? In those fields, you are dealing with tangible situations, especially in flood control, because you can determine what property you are going to protect, what you would save from damage. But I submit that we do get into a highly speculative area when you try to make a determination as to what the recreational benefits are going to be and what the fish and wildlife benefits are going to be.

A whole new problem is presented, it seems to me, in trying to work out a formula that will be fair and bring about the desired result, but still not be subject to abuse of discretion.

When a project comes up before this committee we see tabulated so much for flood control, so much for recreation, so much for fish and wildlife. Concerning flood control, we can get some concrete testimony.

When we get around to the determination of how they have been able to figure out \$10 million ought to be allocated to recreation and fish and wildlife, I must say I am lost.

We are trying to project ahead, to figure out the cost of these benefits, and we don't have much to go on.

Do you care to comment on that?

Mr. HOLUM. Well, Senator Jackson, Director Staats has already supplied, I believe, to the committee, supplemental No. 1 which is in effect a supplement to Senate Document 97, which sets forth the standards that all of the executive agencies are using in calculating these benefits to recreation and fish and wildlife. I would agree that these things are intangible, to a certain degree. On the other hand, I think there are many aspects of it that can be measured quite precisely, how many people are using the Bureau of Reclamation reservoir, or a Corps of Army Engineers manmade lake for recreation use, and how many people are fishing on it.

We can measure quite accurately, and do, how many fish are caught. Then it becomes a problem, of course, of relating this use to a tangible dollar value, but I think that the basic premises can be managed and calculated quite precisely, and they are.

Senator JACKSON. Well, I have a feeling that it is far more speculative than that, Secretary Holum. We are in an area of great uncertainty, and my only concern is that we don't get ourselves into a situation where we will utilize these new formulas to justify projects that are not otherwise feasible.

I think we have to be very careful about it, and what concerns me more than anything else, is the latitude that exists in making a calculation affecting the recreation, fish and wildlife, in the hands of the administrator, and the others who participate in making cost allocations.

I realize that it is not done by the agency that is going to construct the project, and that it is reviewed across the board, but I think the crucial problem, the central issue here, is whether or not there is adequate review in determining whether or not the allocation that is to

be made is a reasonable one, and one which should be approved by the Congress. This is the crucial problem.

It is the central issue in this bill, as I see it.

Senator KUCHEL. Let me ask a question on that point.

We are dealing there with a recommended policy for participation in the costs of certain specific purposes in irrigation projects, to wit: recreation and fish and wildlife. I assume that today, unless a specific bill dealing with a specific project speaks of reimbursability, the general rule is we don't have it in those fields.

Mr. HOLUM. Senator Kuchel, if there is no general legislation, the executive agency will continue in the embarrassing position it finds itself in at the present time, without any congressionally approved standards.

The Congress, in the Rivers and Harbors Act of 1962, enacted approved certain projects, with certain standards. At that time, the congressional committees were willing to say that up to 25 percent of a project could be nonreimbursable for fish and wildlife and recreation.

One project was approved for the Bureau of Reclamation under the standards of H.R. 9032. It was the Bostwick Park project. Yet, H.R. 9032 was not enacted, and now has been superseded by S. 1229 and its companion bill in the House. So we continue to find ourselves in an embarrassing position. I know the very difficult position of the Congress, of not knowing exactly how these projects are to be formulated. We come before you with a whole series of figures, many alternatives requiring extra work on our part, and I am sure making the work of the Congress much more difficult. I am sure that somehow or other standards will develop, if a general law isn't passed, that Congress, by approving projects as it did last year, as the Congress did in 1962, will gradually set out guidelines that the executive agencies will follow.

I think it is much more desirable if you do it on a specific basis in a policy bill.

Senator KUCHEL. It seems to me there is a good deal of merit in this legislation.

Senator JACKSON. I want to say to my colleague, I wasn't arguing about the need for legislation.

Senator KUCHEL. Yes.

Senator JACKSON. I think there should be legislative standards set. What I am concerned about is the area of speculation that is involved in determining what the cost allocation should be in dealing with recreation, fish, and wildlife. This is the point I raise.

Mr. HOLUM. Let me add just a little to what I said, Chairman Jackson. As to what we can do to measure the validity of the decisions that are made by the planning people in the departments, we can of course—I have already said—know how many people use these facilities. We can know what people are paying to use the comparable facilities that have been built privately. We can know what people spend who spend a day on the golf course, or horseback riding, and I can assure you that the dollar benefits that are calculated for a day's use with a Federal multipurpose water resources project are substantially less than what people pay for a day's use of some of these other facilities that are provided, and I am sure that it ought to be.

Senator JACKSON. Do we have any water projects that do not have either a fish and wildlife or a recreational benefit, where a dam and a reservoir is built? Have we had any since we started the program in 1961 or 1962?

Mr. HOLUM. I think not, in the last few years, but certainly in earlier projects these benefits were not considered at all.

Senator JACKSON. What I am leading up to is: Prior to what year was it that we had the first project in which recreation and fish and wildlife were treated as nonreimbursable?

Mr. LEE. Mr. Chairman, in 1948 we had authorized the Kennewick Division of Yakima project with an allocation of joint costs to fish and wildlife. This is the first project that I know of where this was done.

Starting about 1953, we began to appraise the need for minimum basic recreation facilities on individual projects, and recommending them on a specific basis. We have not had any projects authorized that had an allocation of joint costs to recreation.

Senator JACKSON. What I am getting at is that there is hardly a project that one can visualize that involves a dam—the storage of water for the reservoir—where there won't be an allocation for recreation and/or fish and wildlife. Right? Generally speaking.

Mr. HOLUM. I think that is correct.

Senator JACKSON. So there is a whole new order of magnitude that we are building into all these projects, and it isn't just the Bureau. The Corps of Engineers, of course, is following this procedure now, which didn't exist up until just recently. This is the point, I think, that we should understand, and what we were getting into.

Mr. HOLUM. I think this is really a problem of evolution. When the original Reclamation Act was passed, standards were set for the reimbursement of irrigation facilities. Later, the Reclamation Act was amended, and standards were set that we have followed ever since, as far as the reimbursement of hydroelectric power is concerned.

Senator JACKSON. What do you do in the case of the construction of a dam or a reservoir in the heart of an area where you have a lot of natural lakes, streams, everything else?

Mr. HOLUM. The recreation benefits are less.

Senator JACKSON. Less, or should there be any?

Mr. HOLUM. Less, because there will be less use. That is why we found such substantial benefits at the Auburn-Folsom South project, because it is in an area with a tremendous population, desperately needing water resource recreation opportunities. The main things we found out at Folsom Dam was that the lake would be covered with people every day that the weather was fine, so the use of the reservoir was at a maximum; all the people you could accommodate.

Senator JACKSON. One last question on this point: I believe Mr. Lee mentioned the Kennewick project. Were the calculations made back in 1948 subsequently justified? It happens to be in my home State, so I thought I would use it as an example.

Mr. LEE. I don't know, Mr. Chairman, that we have actually made any check of this. Most of the allocation there stemmed from upland game birds, and I don't know whether records have been kept on the take of upland game birds or not.

Senator JACKSON. Well, do we have any data to support this added expense? Do the standards that have been set up in recent years indicate that the criterion we are using is reasonably conservative in trying to make a sensible allocation of costs?

Mr. HOLUM. I think the best way to check our prediction would be to take a look, and we will, at the predictions that were made when certain projects were authorized as to recreation-day use, and see if those predictions have been realized.

Senator JACKSON. Would you supply that for the record?

Mr. HOLUM. Yes, sir.

Senator JACKSON. Fine.

(The information requested is as follows:)

Recreation visitations at Reclamation reservoirs

State	Project	Annual visitor-days			
		1st year of use		1963	Authorization estimate
		Year	Visitation		
California:	Cachuma.....	1958	245,178	674,904	49,000.
	Trinity.....	1960	19,300	389,288	192,000.
	Solano.....	1958	520,000	1,163,606	26,300.
	Ventura River.....	1959	7,300	451,864	376,000-564,000.
	Washoe (Prossen).....	1963	16,500	16,500	56,000.
Colorado.....	Collbran.....	1962	18,123	58,600	10,000.
Idaho.....	Minidoka-Palisades.....	1958	205,075	227,700	6,250.
New Mexico.....	Middle Rio Grande-El Vado.....	1958	8,000	19,300	16,150.
Oklahoma.....	Washita.....	1959	32,000	378,859	85,000.
Oregon:	Crooked River.....	1958	375,000	637,432	7,000.
	Rogue River.....	1960	17,750	398,706	57,000.
	Vale.....	1963	5,250	5,250	9,300.
	Wapinitia.....	1959	1,000	30,000	35,255 (1950). 42,306 (1960).
Texas.....	San Angelo.....	1963	8,500	8,500	120,000.
Utah.....	Weber Basin.....	1958	45,000	552,847	508,000.

Mr. LEE. Mr. Chairman, I would like to call your attention, if I may, to a project on Crooked River in central Oregon. This project was authorized several years ago, and I have forgotten the specific estimate of the recreation use, but I know that within 3 years, we have had more recreation use, more visitor-days, than were estimated for the 50-year period.

Senator JACKSON. Well, that will be part of your statistics. If you can get all that information it will be helpful.

Senator Gruening?

Senator GRUENING. Secretary Holum, I share the chairman's question on the matter of interpretation, not merely in the field of costs, but I refer again to this paragraph concerning which I questioned Mr. Weber, namely, that the benefits of the project to recreation and fish and wildlife enhancement should be taken into account in determining the economic benefits of the project.

Well, now, if the Fish and Wildlife Service were to make that determination of the Rampart Dam, there would be no Rampart Dam, because they say there are no benefits. They are always destructive; they see no value whatever in a lake 10,000 square miles in extent, in an area where there are no lakes. All of central Alaska is without lakes.

Now here is a great potential with respect to recreation, and fish and wildlife. Those of us who follow these matters think that not only will there be no destruction of fish and wildlife, but there will be actual enhancement. The question is, How is this going to be determined? Now the economic benefits of this project, with a projected cost of 2 mills per kilowatt-hour, the lowest cost in the Nation when the project is completed, are certainly going to be very great.

Now how is a determination concerning recreation, fish and wildlife benefits, going to be made? Is it going to be made by the Fish and Wildlife Service? Is it going to be a joint enterprise by various branches of the Department of the Interior, or will the State authorities have any voice in the matter? This is a matter of great importance to us, and unless we can get some reasonable answer, we would feel very doubtful about this legislation.

Mr. HOLUM. I think all of the agencies that you have mentioned, Senator Gruening, will have and are at the present time having an opportunity to review the calculations that have been made by the Fish and Wildlife Service, and the Department of the Interior.

They will have an opportunity to express themselves to the executive agencies and to the Congress, so that all of the facts and all the points of view will be available, when final decisions are made.

Senator GRUENING. Well, obviously, those of us who are conservationists, such as I am, are concerned about the preservation of fish and wildlife resources. We are concerned about recreation. We think it is one of the great potentials in our Nation, but as I said before, we are dealing with a certain number of extremists who can only see their particular angle, and not the economic and other benefits of the entire community, and this is a crucial issue in the Nation today. It is a thing that we are all concerned with.

We don't want to destroy anything. We want to preserve all our natural heritage, we want to preserve all our natural beauty, but at the same time, we have to realize that man must have a habitat in which there is an economy which will enable him to live, and that is an issue which is going to confront us increasingly in the next few decades.

I think this is something that the Department should give very serious consideration to, and not allow a one-sided and prejudiced and slanted view looking at only one angle of it to determine the overall result.

Mr. HOLUM. Well, in general, Senator Gruening, I comment this way: I think you have very very accurately pinpointed the responsibilities of both administrators and legislators, to hear all points of view, to consider them, and then hopefully to make the right decision.

Senator GRUENING. Thank you.

Senator JACKSON. Senator Allott.

Senator ALLOTT. Thank you, Mr. Chairman.

First of all, for the sake of the record, I would like to associate myself with the line of questioning and the thoughts that the chairman has voiced with respect to the assessment of costs for recreation, fish and wildlife enhancement. I have felt, as have many others on this committee, that this was a factor which in some instances gets very highly speculative.

I just checked the Norman project as a matter of curiosity, and I see that we had 12 percent there, in the Nebraska Mid-State, if my arithmetic is right, we have 15 percent; the other day on Tualatin, I think we came up with approximately 4 percent of the cost of that project; and if my recollection is correct, we have had one or two projects—and I can't give them without some study and investigation—where recreation and fish and wildlife costs have run around 19 or 20 percent or so.

Now I may be in error as to the precise figures, but when you see this wide variance you wonder, as we have often wondered, if somebody simply hadn't dreamed up a recreation and fish and wildlife enhancement to make a project feasible.

For example, I would like to carry your thought through just a little bit, Mr. Holum. I realize that there is an area here where you are bound to be speculative. In an area where there are relatively few recreational opportunities, a relatively inadequate or poor recreation area would be valued more highly than it would where there are lots of water and lots of hunting, and so forth.

Mr. HOLUM. Yes.

Senator ALLOTT. You mentioned, or Mr. Lee mentioned, a golf course. Well, this can be true, too, but how do you place a value on it? I gave up golf because of a lack of interest, a long number of years ago, so a golf course has no recreational value to me, personally.

So, too, many of these recreation areas have no value to large segments of our population. What I am trying to say is that I don't see how you can assess value upon projected visitation alone. For example, in the Oregon project, which Mr. Lee cited, you get a great number, a far greater number of visitors than you had anticipated. Many of these are repeaters, I would judge. In another instance, you might get far less use, and less income, than hoped for.

In a speculative area such as this I don't see how you can assess value with as much precision as you can, for example, on flood control. We had the Paonia project as part of the upper Colorado River matter, a few years ago, and I went out and went over the records personally for several years in the flood losses which had accrued on that river because there was no control, and there you come up with a pretty definite idea of what you can make an assessment about. But I do agree that this is an area that even at the best—and I am not in any sense accusing the Department of Interior of bad faith, or of trying to pull a shenanigan in any of these things—but even at the very, very best, I think you have to get down to what is essentially a speculative valuation on these matters.

I would like to ask you one question. I think the bill is a wise step. We have in Colorado the situation, as you know, where the Curecanti project is under construction, and there have been some conferences in your Department with the idea that the State would take over, or attempt to take over, the operation of the recreational features of the dam or dams and lakes connected with the Curecanti project, whether it ends up two or three.

Now in what way, Mr. Holum, adversely or otherwise, would this bill affect that situation? It is my understanding that, so far, the Department of Interior has not viewed this favorably. I am correct on that?

Mr. HOLUM. I believe so. As a general policy, the Department of Interior is very anxious to get recreation areas, except for those that are really significant, under local management and local control.

Curecanti is one of the Colorado River storage projects, and is unique in reclamation history, because in the act, the Secretary of the Interior does have authority, which he does not have with most of his projects, to plan and to develop recreation opportunities.

Actually, what we are talking about here this morning is probably extending and improving the authority that the Secretary has in the storage project to other reclamation projects under his jurisdiction.

I don't think that you have to be concerned at all that this legislation will adversely affect programs at Curecanti.

Senator ALLOTT. I couldn't understand the last part of your statement. I am sorry.

Off the record.

(Discussion off the record.)

Senator ALLOTT. Would you repeat your last part? Because I want to be sure, if I can, what the intent of the Department is, and what they think about this bill with respect to Curecanti.

Mr. HOLUM. I am not completely sure but I promise to Senator Allott that I will verify it, and submit the information to you for the record, and there will be no adverse effect upon the Department's plans for developing recreation at Curecanti, if this legislation is adopted.

Senator ALLOTT. Then let me ask this question: Is it your position with respect to Curecanti that it is a project of such magnitude that the Federal Government must maintain control of the management and operation of the recreational end, the facilities there?

Mr. HOLUM. I think, Senator Allott, to be sure that we are giving you completely accurate information, that I should supply it for the record. I know that there is some thinking, and I am sure you are aware of it, that this is a significant recreation area which merits consideration, at least, for Federal management.

Senator ALLOTT. Well, I would like to discuss it with you, sometime, Mr. Holum, and not take the time of the committee, because I do feel that this is an area that might very well be applicable to a situation where the State could take it over, and we are very proud of our fish and game commission in Colorado. I think they do a good job. That is all I have, Mr. Chairman.

(The information requested is as follows:)

It is the view of this Department that the recreation potential of the Curecanti unit of the Colorado River storage project is of such magnitude and potential to warrant Federal operation. As a result on February 11, 1965, a memorandum of agreement was consummated between the Bureau of Reclamation and the National Park Service relating to the development and administration of recreation facilities on the Curecanti unit, Colorado River storage project. This memorandum of agreement identified the functions of both the National Park Service and the Bureau of Reclamation.

The functions of the National Park Service, among other things, would involve preparing plans for and constructing recreational facilities, negotiating and executing contracts for supplying necessary visitor services relating to recreational use, establishing and enforcing policies regarding recreational use, control of transportation in the area under its jurisdiction, and negotiation of activities with State and Federal wildlife agencies as necessary for the conservation and preservation of the wildlife resources.

The Bureau of Reclamation would be responsible for the construction, operation, and maintenance of the Curecanti unit. It would consult with the National Park Service on matters involving the development and administration of recreation facilities, the establishment and enforcement of regulations governing public access to the Curecanti unit, the establishment of, in cooperation with the Service, rules governing approaches to the dams by water as may be necessary, coordination and preparation of reservoir management plans, and consultation with the National Park Service so that recreational development and administration of the project area will be coordinated with construction and operation of the Curecanti unit.

The enactment of S. 1229 would in no way have any effect upon the recreation and fish and wildlife developments of the Curecanti unit. The enactment of S. 1229 would permit the Secretary of the Interior to purchase lands and construct facilities for recreational development on existing projects. There is no such general provision in law for this authority at this time. The enactment of S. 1229 would so provide.

In the case of the Colorado River storage project, however, the Secretary of the Interior already has such authority specifically provided for in section 8 of Public Law 485, the law authorizing the Colorado River storage project. Therefore, the passage of S. 1229 would not change, reduce, or increase the Secretary's authority to construct recreational and fish and wildlife facilities in the Colorado River storage project.

Senator GRUENING (presiding). Any other questions?

Senator SIMPSON. Mr. Chairman, let me associate myself with the remarks by my colleagues here, and say that I, too, share the concern to the effect that this snowballing authority will bring about situations that are pretty detrimental in some cases, where parks and recreation have been asked to add many, many thousands of acres of additional lands to the many millions of acres the Park Service already has.

I agree that in many instances, they are desirable, but you would find that we are dispossessing people from areas and away from their property and their homes. We are causing any amount of difficulty on that score. It is easy to roll back the frontier, but it is a bit difficult to roll back the population today, and that seems to me to be about what we are doing.

People are getting more leisure time. More of these areas are being set aside, but I think usually the estimates of the cost of acquisition are so far out of kilter that it is ridiculous and we can document that, as the chairman knows, and I think we need to call attention to the fact that we may be going too rapidly, and too far, and it becomes such a burden upon the population that we are doing a disservice rather than a service to the people seeking recreation.

I am in accord pretty much with this bill, because I think that this has probably been long needed, but I just add this other, which is not particularly outside the problem, because it is in your department Secretary Holum. But it is a worry, and I think the Congress, and especially this committee, is very desirous of taking a realistic and long look at these things, hoping to come up with a permanent situation that augers well for the entire future of the recreation of the public.

I have no questions about what you have said.

Senator GRUENING. Senator Kuchel.

Senator KUCHEL. Yes, I do want to say that I speak now parochially as a Californian. Your comments on the vast impact of the Auburn-Folsom South project, Mr. Secretary, which has received the stamp of approval from this committee, is a colorful, and correct, comment on what such projects can do in areas that are growing as

rapidly as is Auburn-Folsom, but which, nevertheless, require reclamation assistance.

I am acquainted with that area rather intimately, in which Auburn Dam itself will be located. I can see exactly in my mind's eye what you are talking about. When that project is brought into being, there will be thousands upon thousands of people from this burgeoning part of my State utilizing what otherwise they never would have known, though they would live there, and live out their lives there. I think all of us in this room who follow your testimony agree that, to the extent that the guidelines can be laid down specifically, the executive branch certainly may feel more comfortable and may become more precise in dealing with what certainly is an admirable public purpose. In the absence of such guidelines, sometimes it would be difficult with any precision to make a determination with any accuracy what part of the cost is to be borne by such a purpose. I remember in the Senate Water Resources Committee, the Select Committee on Water Resources, all across the country people had begun to become interested in problems of recreation, in connection with water resource development, and I think we are on the right road, doing what we are here today.

Mr. HOLUM. Senator Kuchel, I think you have made a very appropriate comment, that not only will it be easier for us and easier for the Congress if we have these guidelines, but I think you are absolutely correct in noting that we can do it more precisely if we know what the guidelines are.

If we have to put together four or five sets of figures, or four or five different theories and policies, we are spreading our people thin. We should know what the rules are. I think you are absolutely correct that we can do our job more precisely.

I think, Mr. Chairman, maybe it is unwise for me to volunteer this, but there has been and I think legitimately, a considerable amount of concern expressed as to how these benefits for recreation and fish and wildlife are determined.

If the Chair would wish it, we will be very happy to prepare and submit for the record a very brief and I hope concise statement of what the policies are, to implement supplement No. 1 that has already been requested by the committee.

(The information requested is as follows:)

DEPARTMENTAL POLICY IN IMPLEMENTING SUPPLEMENT NO. 1, EVALUATION STANDARDS FOR PRIMARY OUTDOOR RECREATION BENEFITS, TO SENATE DOCUMENT 97, 87TH CONGRESS, 2D SESSION

The interdepartmental statement of policies, standards, and procedures in the formulation, evaluation, and review of plans for use and development of water and related land resources (S. Doc. 97, 87th Cong., 2d sess.), approved by the President on May 15, 1962, provides for full consideration of recreation as a purpose in project formulation and evaluation. The purpose of supplement No. 1 is to provide standards for the evaluation of recreation benefits stemming from the use of recreation resources provided by water and related land development projects. Planning for recreation purposes should be of comparable scope and intensity to studies of all other project purposes, and outdoor recreation should be viewed as an economic product with values for which people are willing to pay some price.

Water resources agencies subject recreation, as a product and as a purpose, to the same requirements as other project purposes in determining economic feasibility of a project. Recreation benefits include the monetary values of net increases

in quantity and quality of use by outdoor recreationists which can be attributed to construction of the project. In the absence of a general "market" where recreation opportunities are sold for profit, the Federal agencies have jointly developed a schedule of daily unit values based on information available on actual charges made for hunting, fishing, and other forms of outdoor recreation, supplemented by the best judgment available on probable charges that users would be willing to pay for the provision of such opportunities if such charges were required. These unit values are considered net of all associated costs and are considered comparable to net benefits assigned to other project purposes. Estimated project benefits developed under this procedure are subject to the limitation that benefits may not be claimed which are in excess of the most likely, least-costly, alternative means of providing similar recreational opportunities in the absence of the project.

Supplement No. 1 to Senate Document 97 sets forth the schedule of monetary unit values for tangible benefits to be claimed in project evaluations. This schedule makes a distinction between general recreation, for which the range of unit day values is from \$0.50 to \$1.50, and specialized recreation, for which the range is from \$2 to \$6. In implementing these criteria, agencies are particularly careful to make this distinction. The general type of activity involves primarily those visits which are attractive to the vast majority of outdoor recreationists and which generally require the development and maintenance of convenient access and adequate facilities. Examples are swimming, boating, hiking, picnicking, sightseeing, trailer camping, water skiing, and most warm water fishing. The specialized type involves activities for which opportunity is limited, intensity of use is low, and large personal expense is required of the user. Examples are wilderness pack trips, white water canoeing, long-range cruising, and big game hunting.

The standard unit of measurement to which a value is applied is the recreation day spent as a project recreation area. In implementing policy for recreation planning, it is recognized that estimates must be carefully developed of the number of visits to recreation areas, as well as the value per visit. Factors which our resource agencies consider in this regard are (1) population within the zone of project influence, (2) proximity of the project to centers of population, (3) socioeconomic characteristics of the population including disposable income, age, and mobility, (4) leisure time and recreational habits that reflect changing consumer preferences, (5) the recreation use potential of the project area as reflected by its ability to provide uniqueness, diversity and access, and (6) the availability and attractiveness of existing and potential alternative recreation opportunities in relation to the demand. Also, to assist in determinations of specific facilities to be included at project areas, the various types of recreation activity—e.g., boating, swimming, camping, and so forth—are carefully analyzed.

It is recognized also that final answers to the recreation value on attendance have by no means been determined. In an area of analysis such as this, continuing research is urgently needed, as is clearly recommended in supplement No. 1. Toward the objective of perfecting current standards and criteria, water resource agencies are encouraging intensive research, in and out of Government, which will provide increasingly reliable answers to such questions as total recreation demand, activity preferences, locational factors, substitution possibilities, interproject competition, demand elasticities, and varying facility capacities.

Meanwhile, the agencies concerned believe that the estimates of benefits to fish and wildlife and recreation have reliability equal to benefits computed for irrigation, navigation, and flood control, also developed on a judgment basis by experienced personnel. Indeed, research in improved methods of estimating benefits to those traditional purposes is also needed and is contemplated.

Senator GRUENING. Any further questions? If not, thank you very much, Secretary Holum, for your very useful and very pertinent testimony.

We have one more witness today, Mr. Charles A. Robinson, Jr., representing the National Electric Cooperative Association.

Mr. Robinson, we are very glad to have you here. Will you proceed in whatever way you like? Either reading your statement, or highlighting it, whichever you prefer. In any event, the full statement will be included in the record.

**STATEMENT OF CHARLES A. ROBINSON, JR., NATIONAL RURAL
ELECTRIC COOPERATIVE ASSOCIATION**

Mr. ROBINSON. Thank you Mr. Chairman. My name is Charles Robinson. I am the staff engineer and staff counsel of the National Rural Electric Cooperative Association. With me is Mr. Robert Partridge, the senior legislative representative of NRECA.

Mr. Chairman, if my statement could be made a part of the record I would be happy to highlight it orally, and thereby save the time of the committee.

(The statement referred to follows:)

**STATEMENT OF CHARLES A. ROBINSON, JR., STAFF ENGINEER AND STAFF COUNSEL,
NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION**

Mr. Chairman and gentlemen of the committee, my name is Charles A. Robinson, Jr. I am the staff engineer and staff counsel of the National Rural Electric Cooperative Association, the national service organization of REA-financed systems.

The interest of rural electric systems in S. 1229 arises from the relationship between the hydroelectric power facilities and the facilities for other project purposes, such as recreation and fish and wildlife, in Federal multiple-purpose river basin developments.

During the fiscal year 1963, some 500 REA-financed electric systems obtained all or a portion of their wholesale power requirements from Federal power agencies. During that year they purchased from such agencies 13.8 billion kilowatt-hours of energy, representing 37 percent of the total wholesale power supply of all rural electric systems in the United States. For this power they paid to the U.S. Treasury \$68.7 million. The magnitude of this payment, and the wholesale cost of Federal power depends, of course, on the relative share of multiple-purpose project costs allocated to hydroelectric power. The rate for such power is established to repay the entire cost of each project allocated to the hydro features.

To the degree that project purposes other than hydroelectric power bear greater or lesser portions of project costs, the calculated power rate base goes up or down. The NRECA membership is, therefore, vitally interested in the instant legislation which recognizes the increased importance of the recreation and fish and wildlife facilities at multiple-purpose projects; and with recent policy decisions of the executive branch agencies which constitute realistic recognition of the use and value of recreation features included in multiple-purpose projects.

NRECA advocates prompt passage of S. 1229, and its companion bill in the House, H.R. 5269, which, under certain circumstances, recognize recreation and fish and wildlife as important features of Federal multiple-purpose water resource projects and authorize allocation to them of substantial portions of project cost. The present bills, we believe, establish, at least prospectively, workable national standards for the implementation and evaluation of recreation benefits on a scale which is flexible, according to the resource involved and local interest in it. They would constitute the first general statutory authority for sharing in joint costs by recreation and fish and wildlife. They seem particularly appropriate at this time when the population "explosion" requires ever greater opportunities for water-associated recreation.

The one major problem area with which S. 1229 does not reckon is the recreational use of existing, completed multiple-purpose projects. Statistics supplied by the Bureau of Reclamation and the Corps of Engineers show that, during 1963, such use exceeded 178 million visitor-days; 82 million of which occurred at hydroelectric projects.

The late and very highly respected Senator from Oklahoma, the Honorable Robert S. Kerr, together with Senator Monroney, sponsored legislation (S. 1164) in 1957 which would have recognized the recreational use of multiple-purpose projects which even then exceeded 80 million visitor-days per year. The Kerr-Monroney bill (S. 1164) which was favorably reported by the Senate Committee on Public Works, on April 17, 1957 (S. Rept. 250, 85th Cong., 1st sess.), would have evaluated project recreation benefits by multiplying the total average annual visitor-days experienced at a given project by not less than \$1; up to 15 percent

of total project cost. The Kerr-Monroney formula of S. 1164 would have yielded total annual recreation benefits for all projects of \$80 million as of 1957 and \$178 million as of 1963. These benefits, of obviously large magnitude, are still, in most cases, not recognized in calculating the benefit-cost ratio of the projects to which they are attributable.

The Kerr-Monroney bill of 1957 would, by the application of its provisions to projects "heretofore authorized" on an "annual benefit basis," have afforded a measure of retroactivity in its operation. Based on the calculation of annual recreation benefits attributable to an existing project, its recreation features would, in each year after passage of the bill, bear a portion of annual charges against the project. We respectfully suggest the inclusion in S. 1229 of the Kerr-Monroney concept of applying the provisions of S. 1229 to existing projects in future years on an annual benefit basis, thereby permitting the recreation features of existing projects to bear a portion of project cost in futuro.

It has long been the view of this association that standards for the allocation of costs to various project purposes should be brought more into line with factual circumstances by allowing all purposes, including recreation and fish and wildlife, to bear a fair share of the cost. In accordance with this belief, the NRECA board of directors, at its 1963 summer meeting, adopted the following resolution, which advocates nonreimbursable allocation of specific costs and of joint costs up to 25 percent of total costs to recreation:

"Resolved, That the board of directors of the National Rural Electric Cooperative Association does hereby endorse and urge adoption by Congress of legislation designed to assure that recreation is firmly established as a coequal purpose in multiple-purpose project evaluation and cost allocation procedures; to provide for nonreimbursable allocation to recreation of specific costs, and of joint costs up to 25 percent of total project costs; to authorize the use of power revenues to defray any allocation to recreation in excess of such amounts, after power and irrigation features are repaid, and to authorize the use of the proposed land and water resource conservation fund to offset such project costs as may be allocated to recreation on a nonreimbursable basis."

In summary, Mr. Chairman, we believe this legislation to be the most equitable vehicle thus far proposed by the administration under which the benefits attributable to recreation and fish and wildlife will be recognized in calculating benefit-cost ratios and recognized during the cost allocation process. We respectfully suggest, however, the addition to S. 1229 of some provision to afford recognition, in the form of cost allocation, to the 178 million visitor-days per year of recreation currently being experienced at existing projects which the legislation, as drafted, does not take into account. The change we suggest would be of particular help in those instances where the reimbursable costs allocated to irrigation and to power at existing projects are higher than the economy in the area of the project is able to bear.

Mr. ROBINSON. Our association, Mr. Chairman, is comprised of about 900, REA-financed electric systems, which serve about 7 million families, and businesses in 46 States, or about 25 million people.

We are perhaps one of the two largest classes of beneficiaries of the reimbursable features of the multiple-purpose projects which the committee is considering here this morning. Our people pay about \$70 million per year to the United States for the wholesale power which they purchase from these projects and in 1963 they purchased some 15 billion kilowatt-hours.

About 500 rural electric systems use Federal power for all or a portion of their wholesale energy requirements, and that constitutes 37 percent of our total supply throughout the United States.

That is our interest in Senate bill 1229. Mr. Chairman, I would like to emphasize the fact that this bill does not authorize any projects whatsoever. It merely, at least to me, seems to be an expression of agreement on the part of the Congress that the executive agencies, in planning these projects, may take certain steps which they may or may not take at the present time.

In other words, even though this bill were passed, and we think it should be passed, as the executive branch agencies proceeded to formulate projects in conformity with what they thought were the provisions of this bill, each time a particular project came to Congress for authorization this committee and its parallel committees and the Congress itself, will have opportunity to pass on that application of the legislation to a particular project; and that opportunity to again review its application will be presented to the Appropriations Committee when the project is placed under construction.

So perhaps, in its effect, the legislation does no more than express agreement by Congress with a set of administrative procedures which the executive agencies would like to place in operation, and each time a project comes up, Congress would have the opportunity to review the formulation of that project, and the details which have gone into that formulation.

Our membership for many years, Mr. Chairman, has felt the need for this type of legislation. At the present time, for instance, multiple-purpose projects are experiencing about 180 million visitor-days per year—180 million visitor-days per year at these projects. Yet the present standards utilized by the administrative agencies do not permit, in most cases, the allocation of any substantial portion of project cost to recreation.

This means that, in effect, those portions of project costs which in equity ought to be allocated to recreation are allocated to other purposes, such as flood control, water conservation, irrigation, and power. And with particular respect to the beneficiaries of the reimbursable features of these projects, the power users and the water users, the irrigators, the present situation results in these people having to pay higher costs for the services they receive from the projects than they should in equity pay, were the recreational facilities at these projects recognized in project formulation and in the allocation of costs.

Mr. Chairman, we believe that S. 1229 is sound legislation, which will remedy this inequity by expressing the consent of Congress to these standards recommended by the executive branch agencies, which will permit under certain circumstances, the allocation to recreation of portions of project cost, thereby placing that allocation where it belongs, rather than burdening the other features of the project with it. We have one suggestion for a change in the legislation, Mr. Chairman, and that goes to the fact that it is completely prospective in its application and operation.

In other words, the projects now in existence which are experiencing 180 million visitor days of recreation in toto would not in any way be affected, as I read the present legislation. No portion of the cost of these projects would be allocated to recreation whatsoever.

There would be no reallocation of costs at existing projects. The application of the bill as it is written would be entirely prospective, so, though it would correct the inequity as to projects in the future, it would not correct the inequity which now exists and which has existed for some 15 years.

We would not expect, Mr. Chairman, that the bill should be completely retroactive in its operation. We would not expect the agencies, assuming this bill were enacted, to go back 15 years and to restudy each project and to reallocate all of the costs or to disturb contracts,

but we might, Mr. Chairman, suggest the approach that was taken by legislation introduced by the late Senator Kerr and Senator Monroney in 1957, known as S. 1164.

That bill, which was favorably reported out by the Public Works Committee in 1957, would have assigned value to recreation prospectively of \$1 per visitor-day per year at each project, but would also, by the application of a rather ingenious formula, have provided for some relief of the inequity which exists at present projects. The Kerr-Monroney bill would have reexamined these projects already in existence as to their operation in future years and simply would have said that, for existing projects, the benefits conferred by them on recreation in future years will be assigned as an annual benefit. To offset that, an annual charge will be allocated against recreation on a yearly basis, in the future and, to the extent that that annual charge is so allocated, the charges against other features of the project in future years could be reduced.

We suggest that one way of remedying the inequity which has been brought about by the failure, during the entire history of the multiple-purpose resource development program, to allocate to recreation could be, in part at least, cured as to existing projects by addition to the present legislation S. 1229 of the concept contained in the Kerr-Monroney bill of 1957. The Kerr-Monroney bill, with respect to the earlier remarks of Senator Allott, would have also provided that in the case where an existing project did not have recreation facilities in it, such as the John Martin Reservoir which he mentioned, this project could be restudied by the executive branch agency responsible for its construction and, if it were deemed desirable by that agency to install recreation features, they could be installed and costs could be allocated to them.

These two provisions of the Kerr-Monroney bill of 1957 are not contained in the present bill. We suggest them as possible amendments for consideration by the committee. We do wholeheartedly support S. 1229. We think it marks an infinitely substantial improvement over the bill that was submitted 2 years ago, ostensibly to accomplish the same purpose, but which would have in no measure achieved the same objectives that will be achieved by S. 1229.

We very much appreciate the opportunity to appear, Mr. Chairman, and we thank the Chair and the member of the committee for hearing us.

Senator GRUENING. Mr. Robinson, I think it would be useful if you would submit the amendments that you have in mind so that the committee can consider them in the future. If you will submit the specific language that you think will carry out the purpose that you have in mind, I think it would be helpful.

Mr. ROBINSON. We will be happy to do that, Mr. Chairman.

Senator GRUENING. The record will be kept open for some time, so there will be ample opportunity to do this.

(The amendments referred to follow :)

SUGGESTED AMENDMENTS TO S. 1229

1. Line 17, page 3, strike "before January 1, 1966" and substitute in lieu thereof "during calendar 1965".
2. Add new section 4 as follows, and renumber existing sections 4, 5, 6, 7, and 8 accordingly.

SEC. 4. Projects authorized prior to January 1, 1965, and upon which payment has not been completed, may be modified to include recreation and fish and wildlife enhancement features and benefits as a basis for reallocation of costs. As to such projects, the benefits attributable to fish and wildlife and recreation and the separable and joint costs allocated thereto shall be calculated on an annual benefit and annual charge basis respectively rather than as a lump sum, shall not be retroactive and shall be based upon the average annual benefits attributable to fish and wildlife and recreation during the remaining anticipated useful life of the project.

(a) For projects completed prior to January 1, 1965, costs allocated to fish and wildlife and to recreation shall be in magnitude as provided for in section 2(a) hereof, and shall be reimbursible except to the extent that the Secretary of the Army or the Secretary of the Interior can negotiate with non-Federal public bodies for the administration of project land and water areas for recreation and fish and wildlife and for the repayment of costs allocated thereto as provided for under section 2 hereof.

(b) For projects authorized but upon which construction has not been completed prior to January 1, 1965, the provisions of sections 2 and 3 hereof shall apply except that the required preauthorization expression of intent shall not be required as to section 2.

Senator GRUENING. I have one question I want to ask you. Earlier in the hearing, the question of interpretation was raised by the chairman, and by others, including myself. Have you any question as to the possibility of interpretation, which perhaps might result in one interest being served better than another? Have you any question on that?

Mr. ROBINSON. Well, of course, Mr. Chairman, I have the same question in my mind that was raised by the present chairman earlier, with respect to whether or not it would be possible, under the language of the bill as written, for the executive branch agencies to submit a project formulated with a negative value assigned to fish and wildlife perhaps, or to recreation.

In many cases, the organizations which are most active in the recreation field, and some of the organizations which are most active in fish and wildlife field, do hold the opinion that certain of these multiple-purpose projects are detrimental to their interests.

And, there is a wide divergence of opinion on this issue. The Potomac River development is one good example. The very large and outstanding project in the home State of the chairman is another good example—the Rampart project. If you come up with a finding that the fish and wildlife and recreation potential of these projects is negative in value, you could very well have a situation in which this bill, instead of making additional projects feasible, would, in effect, make such projects unfeasible and preclude their construction.

Senator GRUENING. Well, that is precisely the point I had in mind when I raised this question, and I think it goes beyond any one particular project. It has been brought out acutely in the case of the Rampart Dam, by the extreme position taken by the Fish and Wildlife Service in opposing this, and proposing that if it is built, nevertheless, there should be an appropriation of \$600 million, which is a cost far more than all the fish and wildlife resources are worth, and this is particularly intriguing to us, because the record of the Fish and Wildlife Service conservationwise in Alaska has been utterly disastrous.

The Fish and Wildlife Service took charge of our fisheries in 1940, when it was at its peak, approximately 7 million cases of salmon packed a year. Under its supervision, it declined steadily over the un-

ceasing protests of Alaskans, until when it was concluded, in the last year of Federal control, it had dropped to the lowest point in 60 years, down from 7 million to 1,600,000 cases, with the result that the young State faced not only the far more difficult problem of rehabilitating its industry, but faced the economic problems which had been caused by the destruction of the livelihood of all our fishing communities. Then we noted the forecast of the Fish and Wildlife Service, and associates, that oil exploration in the Kenai Moose Range was utterly disastrous to the moose, which proved to be utterly false, because the moose have multiplied so now that they are far in excess of their cows, and our State department of fish and game has pointed out that not enough moose are being taken, and they have extended the season to include cows, extended the bag limit.

So now we have the record of the Fish and Wildlife Service as being a conspicuous failure, perhaps the greatest failure in the history of modern conservation when it was in charge of conservation, completely erroneous when it came to prophesying what would happen, and yet we are now confronted with a similar situation, where if their views prevail, they would completely nullify the great economically needed advantages of Rampart Dam, and this is a problem which we are going to face all over the country, where people with a single view lose sight of the largest interest of the whole community.

I think these views can be and should be reconciled and I think this is a very important issue, and it is raised in this bill. If the interpretation is left to a particular agency, which may have a bias, whether it be for or against, it is a serious problem, and I think that before we pass on this legislation we will want a lot more information about how these decisions are going to be arrived at.

We have suffered the evils of unrestricted bureaucracy in Alaska for so many years that we are very familiar with them, and we do not contemplate their extension and amplification with composure. I think this is a question which those of us who would like to see this legislation passed nevertheless will have to keep in mind.

Senator SIMPSON?

Senator SIMPSON. Mr. Chairman, I want to compliment you on your brief and succinct statement, the thrust of which is that you would like to have agencies and others who could share in the benefits also share in the costs. I think no one can take issue with that. And I think they shouldn't.

Mr. ROBINSON. That was precisely my point, Senator Simpson. Yes, sir.

Senator GRUENING. Have you any further comments, Mr. Robinson? We are always glad to hear from you on any aspect of this.

Mr. ROBINSON. Mr. Chairman, I was very much interested in your explanation of the problem in Alaska, and as I gathered, there is not, at least at the present time, a great shortage of moose in your State. This is a real problem in the formulation and the construction of multiple-purpose projects in many parts of the country.

The desire on the part of conservationists to preserve as natural areas major sections of river basins—and I personally and our organization sympathizes and has supported this activity in many areas—but when these conservation efforts have reached the point of completely blocking all multiple-purpose development on an entire river,

and on entire river basin systems, as would be the case with the Yukon, I think there is a danger of one particular group perhaps interfering with the realization by a much greater majority of the objectives of society in general.

I agree with you. I don't think we can permit a minority group to completely dominate the procedures by which we develop our river basins.

Senator GRUENING. Well, I think that the extremists among the conservationists are hurting the conservation movement, which is one of the most important and desirable movements in modern times. It is now practically half a century old, since it was dramatized by Gifford Pinchot and President Theodore Roosevelt, and it is a great, great value. But some of the extremists have gone so far in their zeal that I think they are hurting the whole movement, and I think that is a serious problem which some of the more sane conservationists should face.

And I think you encounter it in matters of dams, highways, oil wells, bridges. Some of these extremists consider any of these structures which are a part of our modern economy as public enemies, and that is an unfortunate attitude.

Mr. ROBINSON. Mr. Chairman, I believe that in this great country there is room for developing our natural resources so that they will serve the needs of all of the people. I think that is the objective we should pursue.

Senator GRUENING. I agree. And we want to establish, if possible, a consensus, to use a word that is now current.

Mr. ROBINSON. Yes, sir.

Senator GRUENING. Thank you very much, Mr. Robinson.

The committee is in receipt of several communications which will be included in the hearing record at this point.

(The letters referred to follow :)

PACIFIC MARINE FISHERIES COMMISSION,
Portland, Oreg., April 2, 1965.

HON. HENRY M. JACKSON,
U.S. Senate, Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: Thanks for the four copies of your bill, S. 1229, to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water projects, etc., and also for the eight copies of the Bureau of the Budget's draft of the bill and the Bureau's transmittal to you.

I do not feel capable of commenting in detail on this bill. I read the Bureau of the Budget's draft first and then your bill. I think your bill is an improvement over the one drafted by the Bureau. The Bureau must have sensed that its draft was hard to comprehend as evidenced by its section-by-section analysis appended to the draft. However, I am sending you some of my comments to let you know how people involved in protecting recreation, fish and wildlife in the Pacific States view the activities of the Federal bureaucracies and their multi-purpose water projects.

Mitigation and enhancement should not be confused. Many of our waters have the potential, as we become more expert in the management of our fisheries, to have their stocks of fishes restored to more nearly their original abundance. Funds for such restoration are not funds for enhancement; they are funds for mitigation. In general, each water usage project not only adversely affects present fish populations but also makes the rebuilding of former populations more difficult and even impossible in some instances. Why should the State pay at least 50 percent toward a restoration project that has been made increasingly difficult by a Federal agency?

Section 2 of the bill mentions multipurpose projects. Multipurpose projects are compromises. The project is an attempt to supply something for everybody to insure maximum approval and minimum opposition. Such projects are never the best anything (best flood control, best hydroelectric project, etc.) except, possibly, the best compromise. Recreation based on fishing, hunting, and camping should not be substituted for water skiing, tours to dams, and through powerplants, etc.

Section 2(b) mentions user fees. There is danger of the public getting "fee'd" to death. There are State hunting and fishing licenses, fees for using State facilities, plus the \$7 annual fee inaugurated by the Bureau of Outdoor Recreation.

Section 6: Without intimate knowledge of the other acts referred to, one cannot evaluate the effects of this section. Reference to the Bureau of the Budget's section-by-section analysis prompts me to say that the sentence beginning on page 3 of the analysis should be made to read: "Subsection 6(a) provides that the views of the Secretary of the Interior, developed in accordance with the organic act of the Bureau of Outdoor Recreation and the Fish and Wildlife Service, shall be included in each project report.

Page 8, lines 4-14: Since mitigation for waterfowl needs to be so carefully spelled out, why not do the same for fish?

Page 10, line 6: This line should be amended to read: "to allocate water and reservoir capacity to recreation, fish and wildlife."

In closing, I add the following remarks about water usage projects: Benefits to fish are very infrequent; a maximum of 50 percent contribution by the Federal Government for enhancement of recreation, fish and wildlife seems a little miserly; and every time recreation is mentioned, specific mention should also be made of fish and wildlife instead of being lumped in or omitted from the broad spectrum of recreation.

I plan to attend the North American Fisheries Conference in Washington, D.C., from May 1 to 5, inclusive. I'll telephone your office; perhaps if you are not too busy, we can find time for a short get-together.

Sincerely,

LEON A. VERHOEVEN, *Executive Director.*

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D.C., March 19, 1965.

HON. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.*

DEAR SENATOR JACKSON: This is to express the views of the Association of American Railroads (AAR) (a voluntary unincorporated association including in its membership class I railroads operating more than 98.5 percent of the total class I railroad mileage in the U.S. and having more than 99 percent of the total class I operating revenues) with respect to S. 1229 to provide uniform policies with respect to recreation and fish and wildlife benefits and costs of Federal multiple-purpose water resource projects, and to provide the Secretary of the Interior with authority for recreation development of projects under his control.

The AAR recognizes the importance of developing recreational areas throughout the country and the need to enhance the Nation's fish and wildlife resources and to encourage their preservation.

There is one important aspect of the bill, however, to which the railroads are opposed. This is the provision, specifically section 2(a), which would make it possible for a navigation project to be justified as economically sound by evaluating recreation or fish and wildlife benefits and assigning to them certain costs, particularly joint costs as contemplated by section 2(a)(3), that otherwise would be assigned to navigation. In this way a navigation facility, which is not economically justified standing alone in terms of transportation benefits and costs, could show a favorable benefit-to-cost ratio and be approved for construction. Where a navigation facility byproduct is the creation of recreation or fish and wildlife benefits it would perhaps be appropriate to consider those benefits to the extent they tend to increase the value of the basic facility which itself has benefits at least equal to its costs but it is clearly inappropriate to attempt to place a specific monetary value upon those benefits

and use them to make up for a basic economic deficiency in the navigation project.

The railroads now provide general transportation service to all shippers and commodities in all areas including those that would be provided with partial service by the use of any newly constructed navigation facilities. Continued rail service is important to these areas. Its economic transportation service should not be faced with harmful and unnecessary competition from water services using navigation facilities which are basically unjustified and uneconomic. The construction of uneconomic navigation facilities does not contribute toward efficient transportation services but instead become a blight against them. Their construction seriously detracts from the ability of the railroads to provide the general transportation service which is essential.

A navigation facility is a transportation facility. An uneconomic navigation facility, regardless of any recreation or fish and wildlife benefits, will always be a poor transportation investment and thus a continuing drain upon the Nation's economy. No transportation facility should be approved if it is not economically justified on its own merit in terms of its transportation aspects.

Accordingly, it is urged that S. 1229 not be enacted unless it is amended to make it clear that a navigation facility, even though a part of a multiple-purpose project, will not be approved for construction unless its economic value in terms of transportation benefits would at least exceed the total cost of providing such transportation.

It is respectfully requested that this letter be made a part of the record of hearings on this proposed legislation.

Very truly yours,

GREGORY S. PRINCE.

STATEMENT OF E. MICHAEL CASSADY, EXECUTIVE ASSISTANT, MISSISSIPPI VALLEY ASSOCIATION

Mr. Chairman, the following language was adopted in the platform of our association at the annual meeting in St. Louis, February 7, 1965. The language was unanimously approved. Approximately 2,000 people were in attendance.

"The inadequacy of present recreational facilities to meet the demands of the vacationing public requires accelerated programs for recreational facilities on all reservoirs. Recreational benefits are and should be an important consideration in the justification of water resource development projects. Since recreational facilities attract users from a wide area, their cost should be Federal rather than local.

"We oppose the formula relating to the reimbursability of recreational benefits on Federal reservoirs as set forth in H.R. 52 and we oppose the imposition of this formula as an administrative decree. The imposition of such a formula will halt the development of badly needed multiple-purpose water resource projects to the detriment of both the local and national well-being."

Since that time, S. 1229 has been drafted and introduced, as has its companion bill in the House of Representatives, H.R. 5269. We feel this is a very definite improvement over the formula included in H.R. 52. The officers of the Mississippi Valley Association with whom I have had the opportunity to discuss this legislation have generally had the same opinion—that the intent of the proposed legislation is good and there should be a unified policy in respect to cost sharing on certain recreational and fish and wildlife benefits in federally constructed reservoirs. It is our feeling that minimum recreational facilities such as those which have been furnished for Federal reservoirs in the past should continue to be nonreimbursable. Unless a policy of this type is applied, it places projects which have not yet been authorized in the position of being penalized.

We feel this legislation should only be applied to any recreational benefits which are added over and above the minimum type which have been furnished on a nonreimbursable basis in the past.

SPORT FISHING INSTITUTE,
Washington, D.C., March 3, 1965.

HON. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: The Sport Fishing Institute wishes to go on record in support of the proposed legislation, S. 1229, to establish a Federal Water Projects Recreation Act. We see a direct relationship here with the need, so well stressed by the Outdoor Recreation Resources Review Commission, to provide increased outdoor recreation opportunities for the increasing numbers of outdoor-oriented Americans.

We believe, therefore, that full consideration must be given to fish and wildlife enhancement in the early investigation, planning, construction, operation, and maintenance of Federal navigation, flood control, reclamation, hydroelectric, and multiple-purpose water resource projects. In addition, then, we regard encouragement of non-Federal public agencies to administer project land and water areas for fish and wildlife oriented recreation, jointly with other purposes, as desirable and necessary to that end.

A point-by-point analysis of this proposed legislation suggests a need to adopt two minor amendments designed to strengthen the bill's objectives, viz:

(1) Re section 3(b), we urge that it be modified to read as follows: "In the absence of an indication of intent as specified in subsection 2(a), lands shall be provided in connection with project construction * * *" We feel that it should be made mandatory that lands be preserved for a 10-year period, during which time a non-Federal public agency will be assured adequate opportunity to demonstrate its "intent" to provide facilities and manage such an area for maximum recreational use. This would reserve contiguous reservoir lands for recreational development at a later date, when a non-Federal agency may be in a better position to participate.

(2) We recommend that a protective clause for the funds involved be added so that they may not be diverted to other uses within the non-Federal political subdivisions. This has proved of considerable value in the administration of the Dingell-Johnson and Pittman-Robertson moneys provided to the States for the restoration of fish and wildlife, respectively.

We will appreciate it if you will make this letter a part of the written record of testimony favoring S. 1229.

Sincerely,

PHILIP A. DOUGLAS, *Executive Secretary.*

GRANTS PASS, OREG., April 1, 1965.

Senator WAYNE MORSE,
Senate Office Building, Washington, D.C.:

Unable to determine application to fish enhancement benefits accruing to anadromous fish. Believe following points should be considered re application to anadromous fishery. Commercial fishery from Oregon streams is harvested off of the Pacific States, Canada, Alaska, and by the Russians and Japanese. Oregon streams sports fishery is harvested over many hundreds of miles of coastal streams, not only by Oregon residents but by residents of other States and other nationalities. In 1964 over 27,000 seasonal nonresident licenses issued and over 100,000 1-day nonresident anglers licenses issued. In either case anadromous commercial fishery or anadromous sports fishery collection of users fees would appear most difficult. Finding a non-Federal Oregon agency to agree to make reimbursement of cost associated with benefits accruing to a resource which is both international and interstate in scope does not appear within realm of practicality. In my opinion any enhancement benefits running to salmon and steelhead should remain nonreimbursable.

BEN HILTON.

Senator GRUENING. We will stand adjourned until the call of the Chair.

(Whereupon, at 12:45 p.m., the committee adjourned, subject to call of the Chair.)

○

