OBAMA-BIDEN TRANSITION PROJECT

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December 3, 2008

The Honorable Barack Obama
President-elect
Washington, DC 20270

Dear President-elect Obama:

On behalf of more than one million members and supporters, Ducks Unlimited would like to offer our congratulations on your election as President of the United States. We believe there are many reasons to be optimistic about the nation's conservation future as you begin your term of office.

Ducks Unlimited (DU) is one of North America's premier conservation organizations and is widely recognized as the world leader in wetlands conservation. We are a charitable, non-profit, 501(c) (3) organization with members and supporters in all 50 states and more than 60,000 active volunteers. We conserve, restore, and manage wetlands and associated habitats for North America's waterfowl. Since 1937, we have directly conserved over 12 million acres of habitat in North America.

DU's work is guided by science and implemented through collaborations with a wide range of public and private partners, especially private landowners. We have an extensive history of cooperation with farmers, ranchers, and landowners across North America where we promote voluntary, incentive-based, non-regulatory approaches to conservation.

In April 2008, Jason Grumet, head of the Environment and Energy Committee of the Obama campaign, publicly said that you have worked with DU in the past. Given that history and our mutual concerns about the future of conservation and the economy, we want you to know that DU stands ready to expand this partnership, and to assist your Administration in any way possible.

DU's on-the-ground habitat protection work means we have spent more than 71 years creating environmentally sustainable job opportunities well before the current trend towards greening America's workforce. DU looks forward to working with your Administration to continue our tradition of creating green jobs in the private sector.

Citizens all over the nation are becoming more invested in the environmental health of our country. Following a century long tradition begun by outdoor sportsmen and women, they have come to realize the value in preserving and restoring our natural heritage. As a result, conservation enjoys bipartisan support in both the House of

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Representatives and the Senate. The current wave of support presents a valuable opportunity to initiate important changes that will create jobs, protect the nation's environment and water supply, and preserve critical wildlife habitat, all while positively addressing the more pervasive issue of climate change. We stand ready to work with you in protecting our nation's natural treasures.

To help initiate this work and open dialogue with you and your new Administration, we are pleased to share with you our perspectives on several priority policy issues. You will find attached to this letter summaries of nine policy areas that we consider the highest priorities for wetlands and waterfowl conservation. We hope you and your staff will incorporate these priorities in your strategic approach to conservation.

Ducks Unlimited would welcome the opportunity to meet with you and members of your Administration to discuss these policy issues in more detail and to develop plans to work together. We also offer you the assistance and expertise of our team of scientists, who we believe to be the best of the best in not only the United States, but the world.

Sincerely,

W. Bruce Lewis
President

D.A. (Don) Young
Executive Vice President

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POLICY RECOMMENDATIONS

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- Wetland Water Supply
- National Watershed Conservation
- Conservation Tax Issues
- Perpetuating the North American Model of Wildlife Conservation

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CLIMATE CHANGE: WETLANDS COROLLARY

Background: North America's migratory waterfowl and the habitats they require are valued by society, yet wetlands and associated uplands are among the most vulnerable ecosystems to variations in climate. In fact, climate change poses one of the single greatest threats to ecological goods and services provided by wetland ecosystems to humans. The benefits that these natural resources provide are ecological, social, and economic, and include a host of goods and services.

Climate change threatens wetlands, riparian areas, and floodplains in a number of ways. Projections for the next 100 years indicate extensive warming in many areas, changing patterns of precipitation, accelerating sea-level rise, changing of the timing and length of seasons, declining snow packs, and increasing frequency and intensity of severe weather events. Sea-level rise is regarded as one of the more certain consequences of climate change. The projected two- to five-fold acceleration in rates of global average sea-level rise during the next 100 years would inundate low-lying coastal wetlands. Such reductions in these wetlands would cause loss or degradation of important ecological goods and services, including hurricane and flood attenuation, seafood production, and migratory bird habitat maintenance.

The Prairie Pothole Region (PPR) of the United States constitutes the most critical nesting grounds for ducks and other wetlands and grassland dependant birds in North America. The disappearance of a significant percentage of wetlands and a reduction in wetland size in this area can be expected with increases in temperatures and/or reduced precipitation. Recent research suggests that the predicted increase in temperatures in the Northern Great Plains over the next 50 years will result in more frequent droughts and declines in the numbers of both prairie wetlands and ducks. The loss of these wetlands will greatly reduce waterfowl and other wetland-dependant migratory bird populations.

Need: Postponing federal action on climate change in the United States will result in an accelerated rise in the atmospheric concentrations of greenhouse gases (GHGs), thus increasing the likelihood that worst-case scenario climate predictions could become reality. It is imperative that the Obama Administration and Congress move swiftly to adopt effective climate and energy policies that will protect society as a whole and North America's waterfowl, other wildlife, and wetlands and other habitat.

Additional research is required to determine how different types and classes of wetlands mitigate or influence climate change. It is estimated that wetlands, which include only about 6% of the earth's terrestrial area, contain carbon stocks equal to the total atmospheric carbon store. Rising temperatures and reduced water levels will release carbon from wetlands. While peat bogs and other wetlands, riparian areas, and floodplains continue to store vast amounts of carbon, increased temperatures will melt permafrost and cause oxidation of organic soils, releasing significant amounts of carbon into the atmosphere. Adjustments must be made in wetland, riparian zone, and floodplain management and policy to reduce climate impacts and maximize the storage of carbon.

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Recommendations: Federal policy must support research on the impacts of climate change on water and wetland resources, while maximizing the various ways these resources can be managed to mitigate the effects of climate change. It is imperative that federal climate change and energy policies: (1) set specific limits on the nation's GHG emissions; (2) protect and enhance the ability of forests, grasslands, wetlands, and other natural systems to absorb and store carbon; (3) protect water resources and water quality; (4) strengthen programs to promote energy efficiency; (5) support the development of market-based tools for conservation of environmental goods and services; and (6) accelerate deployment of clean renewable energy sources. Specific policy actions and recommendations include:

- Set mandatory caps on GHG emissions that are significant enough to reduce the threat of climate change to wetlands and associated habitats.

- Create a federal cap and trade GHG program that utilizes market forces to achieve cost-effective environmental protection and generates new revenue streams for conservation of biological carbon sinks.

- Establish a federal climate change Adaptation Fund which will source revenue from the auction of allowances under a cap and trade program to support restoration, protection, or remediation of wildlife habitats on both public and private lands to assist habitats in becoming more resilient, adapting to, and surviving the impacts of climate change. Funds should be distributed via existing federal and state wildlife programs and appropriate grant programs. Funds should be available to both public and private efforts.

- Institute disincentives for converting native or restored habitats for the purpose of meeting demand for biofuels such as corn ethanol, an unsustainable energy strategy.

- Ensure that biological carbon offset projects play an important role in a federal GHG cap and trade program by allowing at least 15% of an annual GHG allowance cap to be met with certified domestic offset allowances with no limitations on the percentage use of approved terrestrial offsets.

- Allow offset projects that meet the requirements of existing state, regional, or federal GHG programs or meet the standards established under a voluntary private registry or GHG reduction program to be eligible under a federal cap and trade program.

- Appropriate federal funds for monitoring and research on known and potential impacts of climate change on species and habitats.

Ducks Unlimited looks forward to being a scientific and policy resource for the Obama Administration on the important issue of climate change and the challenges facing our country's wetlands and natural resources. If you would like more information on DU's Climate Change policies, our white paper can be found on our website at www.ducks.org.

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CLEAN WATER ACT: THE NATION'S WATERS AT RISK

Background: The Clean Water Act (CWA), which was passed in 1972 "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters," has provided the foundation for protecting the rivers, wetlands and water supply of the U.S. By the 1980s, the U.S. had already lost over 53% of its wetlands, a critical component of the nation's interconnected water supplies and fish and wildlife habitats. The U.S. continues to lose more than 80,000 acres of wetlands important to wildlife every year.

Two narrowly split and confounding U.S. Supreme Court decisions in 2001 and 2006 were misinterpreted by the U.S. Army Corps of Engineers (USACE) and Environmental Protection Agency (EPA) to administratively remove all CWA protections from 20 to 60 million acres of wetlands and more than 59% of stream miles in the continental U.S. Withdrawal of these protections by the USACE and EPA has increased the risk to our drinking water supplies, increased the likelihood and costs of flooding along major rivers, coasts and other waters, reduced water supplies, accelerated the loss of wetlands and aquatic habitats for waterfowl and other fish and wildlife, and decreased our ability to adapt to and mitigate climate change. In addition, the increased uncertainty introduced by the courts has made compliance with the law unnecessarily difficult for both the public and the agencies entrusted with CWA enforcement.

The confusing court decisions and agency interpretations stem from a failure to recognize and formally acknowledge that virtually all of the nation's waters are interconnected. This has resulted in inconsistencies with the federal agencies withdrawing protection from broad categories of waters such as "geographically isolated wetlands" due to the scientifically incorrect assertion that they lack a connection to federal waters and other interests.

Need: Over 111 million Americans drink water from public supplies fed by streams and other waters no longer protected by the CWA. Furthermore, these surface waters also contribute significantly to recharging groundwater sources. Decreased water availability and quality means decreased human health and welfare, and higher water treatment costs for communities and taxpayers. The economic impact of not protecting our waters (with the negative impacts on water quantity and quality, flooding, recreational economies, and communities), amounts to many billions of dollars.

Wetland loss means increased flood damage such as that seen in the Midwest and Gulf coast recently. Flooding causes an estimated $3.7 billion in damages annually. Wetlands at greatest risk provide essential habitat for most of the nation's duck breeding population and many other species of fish and wildlife. Once contaminated or lost, cleaning up or restoring our waters and wetlands is often prohibitively expensive or impossible. The nation's waters and wetlands are particularly vulnerable to the impacts of climate change. However, conservation of our waters is at the same time a key strategy for adapting to and mitigating the impacts of climate change.

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Water has been consistently documented to be the public's top environmental issue. One nationwide survey recorded 15 times more citizens who believed there were too few wetlands compared to those who thought there were too many. Over 90% thought it was important to conserve wetlands.

Recommendations: Two overarching objectives can and should be addressed immediately so that the landmark Clean Water Act can once again provide the basis for "restor[ing] and maintain[ing] the chemical, physical, and biological integrity of the Nation's waters," as it had for 30 years prior to 2001. Those objectives are to (1) restore longstanding protections to the interconnected water and wetland resources of the United States, and (2) provide clarity regarding the waters of the U.S. that are within the jurisdiction of the Clean Water Act.

To achieve those objectives, DU recommends that the Obama Administration take the following specific actions:

- Provide leadership and support for legislation, such as the Clean Water Restoration Act, that fully restores the level of Clean Water Act protections that existed from 1972 until 2001 by eliminating all judicial uncertainty regarding the intent of Congress;

- Remove the regulatory guidance provided by the USACE/EPA since 2001 on the CWA's jurisdictional wetlands and replace it with new guidance that defines and protects the waters of the U.S. in a manner consistent with Congressional intent and within the bounds of the Supreme Court's recent decisions.

- Develop new legislative authority to specifically protect freshwater and coastal wetlands across the United States due to their environmental and economic benefits. This should be a cooperative effort with agencies at the state level.

- Funding for wetland habitat programs is critical to the future of these important ecosystems. Providing maximum authorized funding for the North American Wetlands Conservation Act, Partners for Fish and Wildlife Program, Coastal Program, Joint Venture, and National Coastal Wetlands Conservation Program efforts is a high priority for wetlands and habitat conservation.

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DEPARTMENT OF AGRICULTURE: FARM BILL IMPLEMENTATION

Funding for wildlife habitat first found its way into the federal Farm Bill in the mid-1930's, and since then more than 1.5 million farmers, ranchers, forest owners, and landowners have participated in Farm Bill conservation programs. This funding has become a crucial component of the nation's natural resources conservation strategy. As the Obama Administration works to implement the 2008 Farm Bill, it is critical that waterfowl-friendly conservation programs that have contributed to the economic viability of America's farmers and ranchers and a healthier environment are restored, maintained, and enhanced.

Since the passage of the 2008 Farm Bill, multiple factors have altered the accessibility and economic viability of certain conservation programs to landowners, as well as the ability to provide habitat for waterfowl and other wildlife. We are confident that through collaborative efforts, members of the Administration and Ducks Unlimited (DU) can ensure that conservation programs provide private landowners with viable financial incentives to restore and protect large tracts of grasslands and wetlands that benefit North American waterfowl and other wildlife. In implementing the Farm Bill, we hope the Obama Administration will act to support DU's motto of "Farm the best, Conserve the rest".

CONSERVATION RESERVE PROGRAM (CRP)

Background: CRP, America's most successful conservation program, is credited with saving 450 million tons of topsoil every year and protecting more than 170,000 miles of streams nationally, and generating more than 2.2 million ducks each year from the Prairie Pothole Region (PPR) of North and South Dakota. The program encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to resource-conserving vegetative cover, such as tame or native grasses, wildlife plantings, trees, filterstrips, and riparian buffers.

Need: A large percentage of CRP contracts in the PPR will expire between now and 2012, with no plan in place to renew or replace these contracts. At this time, limited opportunity exists to allow landowners to renew their contracts or to sign new ones. In addition, the processes currently used to establish rental rates are subjective, political and in many cases, are creating a wide disparity between CRP rental rates and cash rental rates for similar cropland. High commodity prices and increased corn ethanol demand reduce landowner interest in CRP, even when opportunities for enrollment do exist.

Recommendations: DU urges the Obama Administration to authorize general sign-ups once again and to recognize the importance of the PPR as a national conservation priority area when considering enrollment criteria. We also urge USDA to use statistical market surveys to determine annual rental rates so that the process is no longer arbitrary and rental rates can be adjusted to reflect current land rent values. We also strongly encourage the Administration to maintain the integrity of CRP contracts by not allowing early contract withdrawal without penalty, as proposed by the Farm Service Agency in Summer 2008.

WETLANDS RESERVE PROGRAM (WRP)

Background: WRP is one of the most successful federal wetlands conservation programs. The program provides a voluntary, non-regulatory, incentive-based program for private landowners, farmers and ranchers to protect and restore the functions and values of wetlands on their property. WRP provides societal benefits such as improved water quality and quantity, reduced flood damage and enhanced wildlife habitat.

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Need: The continental U.S. has lost over 50% of its wetlands and continues to lose these wetlands important to wildlife at the alarming rate of 80,000 acres annually. WRP continues to be a popular and successful program for landowners, and demand outstrips available funding by at least 3:1.

Recommendations: DU urges the Obama Administration to support full funding of the WRP and an annual acreage cap that does not limit wetland restoration opportunities for willing landowners. DU also recommends that the Administration work to resolve the Technical Assistance (TA) provider issue so that WRP can be delivered, allow TA funds to be carried over for more than one year, and to ensure TA allocations are significant enough to cover state allocated acres. Additionally, DU urges support in providing state NRCS offices with the staffing and funding to enable them to deliver WRP and other Farm Bill programs. Finally, DU urges the Administration to help resolve the WRP appraisal and ownership issue so as not to discourage landowner interest in this critically important conservation program.

Conversion of Native Grass- "Sodsaver"

Only 22 million acres of native prairie remain in the U.S. portion of the PPR and only about one million of these acres are protected in perpetuity. Incentives in the commodity title of the new Farm Bill coupled with a strong corn-based biofuels market are encouraging farmers in the PPR to convert native prairie to cropland. As a result of this irreversible change in land use, the livelihood of our nation's ranchers are being threatened, habitat for a myriad of prairie dependent wildlife is disappearing, and large amounts of carbon are being released in to atmosphere, exacerbating climate change. The Administration should specify that conversion of native prairie without a prior cropping history should be permanently ineligible for all farm program payments.

Biofuels

The 2008 Farm Bill provided several helpful tools to promote the next generation of renewable energy. Care must be taken to ensure that the conservation of waterfowl, other wildlife, water resources, and the substantial environmental gains made under USDA conservation programs are not lost. DU urges the Administration to ensure the implementation of biofuels programs are consistent with the conservation of waterfowl and other wildlife. Research and development funding should be prioritized to rapidly promote the next generation of biofuels technology based on perennial crops that are managed to provide both environmental and fuel benefits to society.

Conversion of Wetlands Protection- "Swampbuster"

Swampbuster, a provision in the Farm Bill, has been in law over 20 years and is the only disincentive keeping at-risk wetlands from being lost in crop-dominated landscapes. Many of the remaining wetlands vital to waterfowl are located within native prairie or CRP grasslands and are vulnerable to loss or degradation if the surrounding grasslands are converted. The U.S. Fish and Wildlife Service estimate that breeding waterfowl populations would be reduced by 38 percent with the loss of at-risk wetlands in the PPR. DU urges the Administration to maintain current protection measures for preventing conversion of wetlands to other uses and to strengthen enforcement of the Swampbuster provision.

Access- "Open Fields"

DU supported a provision in the Farm Bill creating a new program that encourages state governments to establish recreational access programs on private lands. The number one reason identified for the decline in hunters is decreased access to land. DU urges USDA to fully fund this new access program and to ensure that states publicize the location of enrolled lands.

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ALTERNATIVE ENERGY DEVELOPMENT

Ducks Unlimited (DU) recognizes and supports national policies intended to reduce our dependence on foreign oil and to generate clean, renewable sources of domestic energy. If these policies are implemented in a balanced manner and with attention to environmental concerns, they can generate energy even as they enhance environmental health and improve the status of waterfowl and other wildlife. The following issues are identified by DU as opportunities for the Obama Administration to merge these benefits while avoiding unintentional environmental consequences.

RENEWABLE FUEL STANDARD AND CORN ETHANOL

Background: Implementation of the Renewable Fuels Standard (RFS), with its heavy dependence on corn ethanol, could have serious environmental consequences and will negatively impact waterfowl and other wildlife populations. There are substantial and largely unaccounted environmental costs associated with the production of corn ethanol. Most corn is irrigated, and demands an enormous amount of freshwater. Much of this water is derived from aquifers that are being depleted at an alarming rate. Extensive fertilization is also required to grow corn, which leads to enriched runoff that degrades our streams and wetlands, and contributes to the enormous problem of hypoxia in the Gulf of Mexico. The processing of corn into ethanol also generates substantial quantities of wastewater. Lastly, the demand for additional corn brought about by the RFS creates a large incentive to convert existing grasslands and wetlands to cropland. Grasslands are a threatened and critical biome vital to North America's waterfowl and other wildlife. The price paid for these environmental consequences overshadows the marginal net energy gain achieved by generating renewable fuels from corn.

Need: The federal government should advocate a balanced approach to meeting our demands for transport fuel. The Alternative Fuels Standard (AFS) is a better alternative than the RFS signed into law as part of the Energy Policy Act of 2005, because the AFS recognizes second generation, ligno-cellulosic feedstocks as an important part of the fuel equation.

Recommendations: DU urges the Administration, with input from conservation organizations and other stakeholders, to implement a critical re-examination of the role that corn ethanol and other "first-generation" alternative fuels should play in meeting our nation's fuel needs. It will be particularly important to conduct a full cost accounting of potential environment effects and to provide industry with incentives to implement environmental safeguards through appropriate tax credits and other price supports.

SECOND GENERATION BIOFUELS

Background: Second-generation biofuels derived from dedicated biomass crops have the potential to mitigate the damaging effects of corn ethanol and other first-generation biofuels, while at the same time providing additional environmental and wildlife benefits. Under appropriate management regimes, biomass crops such as switchgrass may provide nesting habitat for waterfowl and other birds, enhance wildlife-based recreation, and help mitigate climate change by sequestering carbon. These co-benefits represent potential new revenue streams to

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landowners, which would benefit individuals, communities and the environment while offsetting the start-up costs of the biomass energy industry.

Need: Grasslands in the critical waterfowl breeding habitat of the Northern Great Plains are being lost at an accelerating rate due to high commodity prices and associated demand for additional cropland acres. Appropriately managed biomass crops could partially mitigate this loss by providing surrogate nesting habitat attractive to waterfowl and other species. At the same time, we must guard against converting our imperiled native prairie grasslands for biomass energy production because the rich bio-diversity of these grasslands cannot be replaced, and for many species this native prairie provides the only suitable nesting habitat.

Recommendations: DU recommends that the Administration (1) advocate for implementation of voluntary guidelines crafted by the *Council for Sustainable Biomass Production*, a group that reflects consensus positions from a coalition of industry and environmental/conservation organizations, (2) increase research and monitoring funds to investigate and quantify the environmental co-benefits of biomass crops, (3) create rules that will enable landowners to market ecological goods and services derived from such lands, and (4) develop incentives so that industry does not destroy valuable native habitats but instead implements practices that benefit conservation and the environment.

WIND ENERGY

Background: Large wind farms are being developed in waterfowl migration corridors, wintering grounds, and breeding habitats for waterfowl. The direct and indirect effects of these wind farms on waterfowl and other wildlife populations are largely unknown.

Need: As the rate of wind farm developments increases, it will be vitally important to ensure that factors such as tower density and placement do not negatively impact waterfowl or endangered species. Most of our understanding of wildlife effects is derived from studies of old wind farms with lattice structure supports, smaller blade diameters, and higher densities of tower placement. Thus, it is difficult to extrapolate results from these studies to contemporary wind farm designs.

Recommendations: DU urges the Obama Administration to fund and promote additional research on the wildlife and environmental effects of wind farms, particularly in areas of the country critical to waterfowl and wildlife populations. In the interim, it will be important to develop "best management practice" guidelines that can be adopted by wind farm developers, and incentivize adoption of these guidelines through a tiered system of wind production tax credits and other financial instruments associated with wind energy production.

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DEPARTMENT OF THE INTERIOR

Ducks Unlimited's partnership with the Department of the Interior (DOI), and especially the U.S. Fish and Wildlife Service (FWS), covers a broad range of issues. Many DOI programs provide a wealth of benefits to wetlands, waterfowl, and wildlife habitat and will be extremely valuable in the future as we work to protect America's most important natural areas.

FWS-NORTH AMERICAN WETLANDS CONSERVATION ACT (NAWCA)

Background: Enacted in 1989, NAWCA provides federal cost-share funding to support habitat for wetland-dependent wildlife through challenge grants for habitat projects in the U.S., Canada, and Mexico. NAWCA partnership grants play an essential role in realizing the success of the North American Waterfowl Management Plan, the model for North American multi-species habitat conservation. It restores wetlands systems that have been altered, enhances water availability in time of drought, and mitigates damaging effects of floods.

Need: NAWCA has become one of the federal government's most effective and popular conservation programs. It was recommended for $42.6 million in appropriations for FY09. Every dollar of federal funds allotted to NAWCA must be matched by one or more non-federal dollars from sources such as NGOs, state fish and wildlife agencies, or corporations. NAWCA has been a benchmark of fiscal responsibility by providing an excellent return on a relatively modest federal investment. These actions stimulate public-private partnerships to protect, restore, and manage wetland habitats for a diverse population of migratory birds and other wildlife. It is extremely popular with lawmakers and landowners.

Recommendations: DU urges the Obama Administration to support appropriations that will continue and build upon this very successful program. Congressional reauthorization of this program is due by late 2011.

FWS-NATIONAL WILDLIFE REFUGE SYSTEM (NWRS)

Background: At 97 million acres, the NWRS is the world's premiere system of public lands devoted to conserving wildlife. Under the Small Wetlands Acquisition Program, DU partners with the FWS and private landowners to add lands to the Refuge System, particularly in high priority areas of the northern Great Plains. DU is a charter member of the Cooperative Alliance for Refuge Enhancement (CARE), a diverse 21-organization effort to address operations and maintenance funding deficits within the NWRS.

Need: Appropriations for the Refuge System have been inadequate for decades, especially "Operations and Maintenance" funding. Congress passed a spending bill that included a critically needed increase to a total of $434 million. This level of funding helps, but does not cover, the full cost of operating the NWRS, and DU believes that a minimum increase of $15 million annually will be necessary to cover costs and inflation. The lack of funding evident over several years has led to the degradation of more than 2.3 million acres due to invasive species, shortage of water on western refuges due to poor water infrastructure, viewing trails in disrepair, elimination of visitor education programs, and a lack of security leading to rising crime. It is crucial that funding be increased for the NWRS to benefit our nation's wildlife resources.

Recommendations: The top funding priority for the NWRS is an additional $10 million/year for the Small Wetlands Acquisition program. CARE requests that the Administration support full

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appropriations of $570 million for fiscal year 2010 and recommends funding of the refuge system at $765 million by fiscal year 2015. DU urges the Administration to make adequate Operations and Maintenance funding for proper stewardship of the NWRS a priority in its budget recommendation to Congress. DU also encourages the Administration to support increased opportunities for hunting and fishing in the NWRS that are consistent with the refuge's conservation mission.

FWS-Division of Migratory Bird Management (DMBM)

Background: The Division of Migratory Bird Management (DMBM) has a history of using cooperative conservation efforts to perpetuate healthy populations of migratory birds in North and South America. DU supports the DMBM's programs that survey bird populations, monitor effects of climate change, and prepare focal species initiatives.

Need: For over 50 years FWS has flown specific routes to determine the status of continental waterfowl populations. Due to a dangerously aging fleet and the price of fuel, it has become more expensive to conduct bird population surveys and monitor the effects of climate change. The surveys serve as the basis for estimating waterfowl populations and informing wildlife managers on data needed to sustain populations. Over the past three years, DMBM has begun to address declining populations of 9 focal species, with an additional 30 species identified as critical. Implementation of these plans is highly dependent on resources, and funding must be increased to allow DMBM to begin these projects.

Recommendations: DU urges the Administration to increase funding to $36 million for the conservation and monitoring of these vital waterfowl and bird programs.

Wetlands Loan Act and the Federal Duck Stamp Program

Background: The Wetlands Loan Act, first enacted in 1961, authorized an advance of funds against future sales of the federal Duck Stamp to accelerate the acquisition of refuge habitat for migratory waterfowl. Funds from sale of Duck Stamps have purchased more than 5.2 million acres of waterfowl habitat, thus helping to create the NWRS.

Need: The Federal Duck Stamp price hasn't been increased since 1991 and its buying power has decreased dramatically since that time. Land prices have outstripped the stamp's ability to protect habitat at the current price, and each year stamp revenues buy less and less land. For example, the price of land in the Prairie Pothole Region of North and South Dakota, a vital waterfowl nesting habitat, has gone up dramatically and in some areas it has tripled in the past ten years.

Recommendations: Raising the price of the Federal Duck Stamp will dramatically increase our ability to secure vital wetlands habitat. All evidence points to further increases in land prices, and we must capitalize on the need now rather than waiting for prices to climb. DU urges the Administration to propose increasing the price of the duck stamp to $25 immediately, and to $35 by 2015, to begin to offset inflation and the rising cost of land so crucial to wildlife.

Other FWS Programs

Numerous other FWS programs are critical to protecting and managing wildlife habitat. DU recommends that these programs be fully funded. They include the Partners for Fish and Wildlife Program, Coastal Program, Neotropical Migratory Bird Conservation Program, National Coastal Wetlands Conservation Program, and Joint Ventures Programs.

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WETLANDS WATER SUPPLY

Wetlands require a reliable, adequate water supply to function and provide the multitude of benefits they produce for our nation and its wildlife. Most often that water supply comes directly from natural precipitation and runoff. In much of the eastern United States, water supply for wetlands poses little problem, except during periods of drought. However, throughout the arid West, wetlands must compete with other demands – particularly urban uses and agriculture - for a highly variable, unpredictable, and limited water resource. Ducks Unlimited (DU) is committed to work with the Obama Administration to resolve and mitigate these water issues and proactively work to avoid the growing potential for problems in the East.

The West was settled largely on the back of diversion irrigation. While this water diversion facilitated the establishment of several large metropolitan areas and the development of millions of acres of productive farmlands, the environmental impact was the eradication of most of the West's natural wetlands. Tulare Lake in California, which used to be the largest freshwater lake west of the Mississippi, no longer exists. In the Klamath Basin between Oregon and Northern California, farmers, salmon and wetlands compete for limited river flows, resulting in the endangerment of several fish species, livelihoods of commercial fishermen and farmers, and one of the world's most important wetland complexes. The lower Colorado River has so much water diverted that it becomes a trickle by the time it reaches the Mexican border and wintering habitat for millions of migratory birds has been reduced to a small fraction of the historic acreage.

The U.S. Department of the Interior identified areas of the West where water supply crises are expected by 2025, and most of these areas are also recognized by DU and other leading wetland conservation organizations as critical to sustaining the continent's migratory bird populations. Yet, policies, programs and even entire bureaucracies, created at a time when wetlands and wildlife habitat were abundant and undervalued, have systematically created and perpetuated the declining condition of these wetlands. It is vital that wetlands and associated wildlife habitat are considered as public policy is developed, modified, and implemented to ensure that the dire situation in the West not only abates, but also improves.

There are two particular areas of water supply policy development and implementation that DU believes must be addressed.

CENTRAL VALLEY PROJECT IMPROVEMENT ACT (CVPIA)

Background: The CVPIA, enacted in 1992, mandated the delivery of water supplies to critical Pacific Flyway wetlands. Specifically, it required the U.S. Bureau of Reclamation (BOR) to provide full base-level supplies of water to key wetland areas, provide water needed to mitigate for the impacts of agriculturally contaminated water on the Kesterson National Wildlife Refuge, and ramp-up to optimal base levels of water by 2002. If this promise of water supply had been realized, the result would have been ecologically appropriate water conditions on water-poor federal refuges, state wildlife areas and some private wetlands. Even so, these improved wetlands would represent only a small percentage of historic Central Valley wetlands lost to agriculture and urbanization.

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Need: Some progress has been made in complying with these mandates. As a result of the efforts of the BOR and other conservation partners, more reliable water supplies have provided some habitat for migratory birds during the winter months. However, full refuge water supplies – winter and summer water – have never been achieved, and compliance with the promises of the Act is still far from reality. As a drought in the West and population growth continues, the prospects for significant progress are dwindling.

Passage of CVPIA was considered to be the turning point for reliable water supplies at key Central Valley wetlands and mitigation for the years of damage to fish and wildlife through government-sponsored drainage programs. The Bureau has been unable, however, to develop creative means to increase water supplies in many instances. A number of actions could improve the status of wetlands in the region. A little-used CVPIA program could retire less productive farmland and reduce the demand for scarce water. Increases in staffing devoted to this work and upgraded facilities to convey the water supplies to refuges could result from budgets appropriated for wetland improvement. Short-term water contracts and ground water pumping have not been sufficient to assure the long-term water supply needs. Permanent water rights have been available and need to be acquired to ensure wetland functions and values in the Central Valley.

Recommendations: DU urges the Obama Administration to (1) examine the staffing and organizational structure of BOR and FWS to ensure more effective implementation of the CPVIA, (2) support budget appropriations that make up for past internal shortfalls needed to accomplish the Act's goals, and (3) support budget appropriations needed to pay for the federal share of costs associated with the purchase of permanent water rights.

WATER SUPPLY AND ENERGY DEVELOPMENT

Background: Water is used for the development and production of energy resources, including alternative energy sources such as oil shale, oil sands, and ethanol. Some of these processes use very large amounts of water. Moreover, some components of the production process are transferable, yet continue to be promoted and subsidized in locations where water is in short supply and its use by the energy industry competes directly with water supplies for wetlands and other important water needs.

Need: Federal subsidies and other means of promoting and encouraging energy production operations in water-short areas of the country should be discontinued and energy development redirected to locations where water is in greater supply.

Recommendations: To the extent that ethanol production plants continue to be promoted as the means to provide alternative energy sources, DU encourages the Obama Administration to support incentives to locate new plants in areas outside of the Prairie Pothole Region of the Great Plains. In addition, the consumptive use of water in other forms of energy development and production should be examined carefully to minimize use of water and to relocate away from critical wetlands necessary to support the Nation's breeding and wintering migratory birds.

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DUCKS UNLIMITED

NATIONAL WATERSHED CONSERVATION

The internationally-important watersheds and ecosystems of the United States provide our citizens with clean and abundant drinking water, outdoor recreation, fish and wildlife habitats, and quality of life. These same waters provide navigation and directly benefit our nation's farmers, commercial fishermen and factory workers. Yet, these systems are being degraded by pollution, sedimentation, invasive species, excessive demand, and land use decisions. The following watersheds are Ducks Unlimited's (DU) most important policy priorities.

GULF COAST

Gulf Coast wetlands are rapidly being inundated by the Gulf of Mexico. More than 1,900 square miles of Louisiana's coastal marshlands have disappeared since the 1930s. These wetland losses are the result of levee construction and flood control throughout the Mississippi River Basin, which have reduced sediment deposition, and by coastal subsidence. Wetlands the size of one football field are lost every 30 minutes while salt water is covering what was once more than one million acres of vibrant, wildlife-rich freshwater or brackish marshes. Loss of these wetlands to buffer storm surges has increased damage caused by hurricanes and negatively impacted fisheries, and wildlife and associated industries, and recreation. DU is currently engaged in wetland restoration work here, and a broad coalition of partners is working to conserve this watershed, but with limited success to date, due to a lack of coordinated commitment by federal agencies.

GREAT LAKES

This region contains 20 percent of the surface fresh water in the world, and provides drinking water to more than 20 million people. Scientists state that the Great Lakes are at a tipping point, with the potential for ecological collapse. More than 66% of the wetlands that border the Great Lakes have been destroyed, and industrial contamination, sedimentation, and invasive species have severely degraded those that remain. A Great Lakes Regional Collaboration has been formed representing federal, state, tribal, local, business and conservation organizations.

CHESAPEAKE BAY

The Chesapeake Bay is the nation's largest estuary, and is a tremendously important source for commercial fisheries and shellfish, waterfowl, and outdoor recreation. Although a long term restoration plan has been developed for the Bay, insufficient conservation actions and a burgeoning population have limited positive gains in water quality, fish, and wildlife populations and environmental health.

MISSISSIPPI RIVER BASIN AND MISSISSIPPI ALLUVIAL VALLEY

The Mississippi River and its floodplain, one of the largest in the world, have been severely impacted by agriculture, navigation and deforestation. This region is among the most critical migration and wintering habitats for North America's waterfowl population, and supports millions of waterfowl annually. Partnerships need to be expanded to ensure the wise use and management of the river that acknowledges the multiple use functions and values, including fish and wildlife.

PRAIRIE POTHOLE REGION

Grasslands and wetlands of the Prairie Pothole Region are the nation's most important breeding ground for waterfowl and other wetland and grassland nesting birds. They also support vital and

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productive livestock operations as well. Both native grasslands and wetlands are at risk of continued loss and degradation, potentially impacting all lower 48 states and the billion dollar waterfowl and wildlife industry. Conversion of marginal lands to grain production is the single most current threat. Loss of these vital habitats negatively impacts flood control, groundwater recharge, and threatened plants and animals.

Platte River of Nebraska, Colorado, and Wyoming

Diverse and excessive demands on limited water resources from agriculture, commercial and residential development along the Platte River threaten this extraordinary natural system. This region provides critical spring and fall migration habitat for ducks, geese, and other birds. Diverse partnership-based efforts to restore the natural systems and permanently protect the Platte River ecosystem in the three states are underway and require continuing federal attention, leadership, and support.

Central Valley of California

Approximately 95% of the historic wetlands of the Central Valley have been eliminated and replaced by agriculture and urbanization. Many issues concerning the remaining 5%, such as land use conflicts and pollution, remain unresolved. However, the most difficult issue is unsustainable competition for water supply with agriculture and a thirsty population. While the north half of the Valley has fared well, areas south of the Sacramento-San Joaquin Delta are at risk due to the difficulties of conveying water through the Delta and the ecological impacts of doing so. Without resolution of those issues, a large portion of the single-most important wintering area in North America may become chronically dry and unproductive.

Pacific Northwest

Winter rainfall is abundant in this region, so water supplies are generally not limiting. However, loss of wetlands continues through competition with agriculture and urbanization. Wetlands historically provided an important nursery area for fish, particularly salmon which is vital to the economic health of the region. Work has been ongoing to restore wetlands for the dual benefits of salmon and waterfowl, much of it funded through Federal and state programs.

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Need: Millions of Americans rely on the ecological goods and services provided by these watersheds. They provide quality drinking water, navigation, agricultural products, and recreation from a diverse and abundant natural resource base. Unchecked continued degradation of these systems means decreased human health and welfare, and reduction of our nation's natural capitol. Protection and restoration of riverine and coastal wetlands reduces pollutants, resulting in higher water quality and lower treatment costs, and provides flood control, thus reducing an estimated $3.7 billion in flood damages each year.

Recommendations: DU recommends that the Obama Administration focus on the conservation of these national watershed regions, in partnership with the affected states, tribes and private organizations and industry. These partnerships, if catalyzed by federal funding, can accelerate watershed protection and restoration in key national watersheds. These funds will provide "green" jobs and help to stimulate the economy through habitat restoration and through the recreation and fishing industries that depend on this habitat. We further suggest that the Administration establish a National Watershed Initiative to coordinate and integrate partnership activities.

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CONSERVATION TAX ISSUES: WORKING WITH PRIVATE LANDOWNERS

Background: Millions of acres of important habitat, open space, viewsheds, and cultural sites on privately owned land have been permanently protected by conservation easements under IRC 170 (h). Conservation easements and the related federal and state tax deduction and credits are widely recognized as being cost-effective public investments in the nation's best interest.

Congress and the out-going Administration have recognized the importance of conservation easements. In the 2008 Farm Bill, additional tax incentives related to landowners' federal income taxes were provided that increased the deduction from 30% to 50%, allowed farmers and ranchers to deduct up to 100% of their income, and increased the number of years over which a donor can take or spread the deduction. The current added incentives for donating conservation easements are a two-year provision that will expire with the 2009 tax year.

Today, the average age of agricultural landowners continues to increase, and the interest in fee-simple donations of land is increasing. Congress has recognized the importance of charitable giving and the important role non-profit organizations play in our nation and our quality of life by passing a two-year authorization of the Public Good IRA rollover, which allows direct-gifting Individual Retirement Accounts (IRAs) after age 70½ with certain limitations through the 2009 tax year. This authorization has provided many landowners with a strong incentive to donate their land in fee-simple for the purposes of preservation of wetlands and waterfowl habitat.

Need: Private lands are critically important to the future of the environment and the wildlife habitats that associated species need to survive and flourish. Land use decisions, often made reluctantly by private landowners because of economic pressures, can diminish and in many cases eliminate the value of these lands as valuable natural habitats. Experts agree that in order to conserve these important privately owned habitats, we must substantially increase the rate at which we protect these natural values.

Many private landowners want to donate land with high habitat values to public agencies or non-profit conservation organizations to realize tax benefits for charitable giving. However, the level of financial support from generous, philanthropically oriented Americans is a limiting factor in the scope of programs and effectiveness of non-profit conservation organizations. Increased tax benefits for land donation for the purpose of habitat preservation will encourage more landowners to conserve their property. These donations, in exchange, provide unparalleled benefits and protection of America's most important and valuable natural areas.

Recommendations: DU recommends that the Obama Administration support these important conservation tax policy initiatives:

- Provide leadership in making permanent the tax incentives for donated conservation easements authorized in the 2008 Farm Bill so that private landowners can undertake financial and conservation planning beyond 2009.

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- Develop policies and initiatives to increase tax flexibility and incentives for landowners who make fee-simple land donations to government agencies and qualified non-profit conservation organizations.

- Make the IRA direct gift provision that expires in 2009 permanent.

- Lead expansion of the IRA charitable rollover options to include life income gifting plans, (charitable remainder annuity trusts, charitable gift annuities with immediate payments and standard payout charitable remainder unitrusts) to provide taxable income to donors, improve the financial strength of charities during difficult economic times and bring about increased federal revenues to our nation's treasury.

- Explore opportunities to enact tax credits that can provide conservation incentives to both individuals and business.

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PERPETUATING THE NORTH AMERICAN MODEL OF WILDLIFE CONSERVATION

Background: The North American Model of Wildlife Conservation (NA Model) is based on principles of public "ownership" of wildlife, thus vesting a public trust responsibility in state and federal governments for the conservation and management of wildlife. The NA Model was born out of the unsustainable use of natural resources during the 1800s and is no less relevant today as challenges to conservation of energy, water, soil, forests, and wildlife are exacerbated because of a growing U.S. population and increasing demands for natural resources.

The strength of the NA Model is found in the willingness of resource users – hunters and anglers – to levy fees on themselves to directly pay for the management of fish and wildlife, as well as finance the protection and management of habitat. This revenue largely comes from license sales and excise taxes on the sale of equipment used in the sports of hunting and fishing. In addition to their financial contributions to resource management, sportsmen and sportswomen have traditionally formed the backbone of organizations that provide political support for protection of fish and wildlife habitat and promotion of the NA Model.

Waterfowl hunters are among the strongest advocates for science-based resource conservation. Their support for the North American Waterfowl Management Plan, established in 1986, is the basis for protection, restoration and management of nearly 16 million acres of waterfowl habitat. They also sponsored the North American Wetlands Conservation Act, passed in 1989, which has provided more than $790 million in federal dollars for wetlands conservation. This amount has been further leveraged four-fold by contributions from conservation partners, resulting in over $3 billion spent on habitat protection and improvement. In the longer term, the Migratory Bird Hunting and Conservation Stamp - commonly referred to as the "Duck Stamp" - has generated more than $700 million since its inception in 1934 and has been responsible for permanently protecting 5.2 million acres of habitat in the National Wildlife Refuge System.

Need: The U.S. population is becoming increasingly urban and trending away from nature-based recreation, and the nation's children are becoming increasingly disconnected from nature. Declines in participation in outdoor activities, such as hunting and fishing, erode the foundation of public awareness and support for legislation and programs designed to address the serious problems of energy, soil, water, and wildlife conservation, while at the same time reduce the financial resources that have preserved and restored much of America's wildlife habitat. Ducks Unlimited (DU), driven by the commitment of waterfowl hunters to conserve wetland resources, is an important source of support for important environmental legislation and conservation programs.

Recommendations: DU recommends that the Obama Administration adopt the following policy suggestions for implementation:

- Establish a new excise tax on additional categories of outdoor gear, not just firearms and ammunition, modeled after the Federal Aid in Fish and Wildlife Restoration Acts, to fully

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fund the existing state fish and wildlife management programs for the benefit of all types of fish and wildlife and people.

- Establish a Presidential Commission on Americans and Outdoor Recreation. Similar to President Kennedy's Youth Fitness Program, an executive level endorsement of programs to encourage youth and adult involvement in all types of outdoor recreation would greatly increase the profile of this important aspect of American's quality of life in the future.

- Support appropriations for the Open Fields provisions of the 2008 Farm Bill designed to encourage voluntary, incentive-based programs that expand public access to private lands.

- Encourage partnerships among the sportsmen-conservation community, conservation/environmental groups, and state and federal governments to strengthen mainstream interests in outdoor recreation in the U.S.

- Support an increase in the price of the Federal Migratory Bird Hunting and Conservation Stamp ("Duck Stamp"). The price of the Duck Stamp has not increased since 1991, and the "buying power" of the revenues produced have not kept pace with increasing land values and the greater needs to protect key wetland and waterfowl habitats.

- Support continued appropriations for the North American Wetlands Conservation Act.

- Support "No Child Left Inside" legislation designed to support the education needed to ensure America's children are aware of and understand the environmental issues that affect natural resources.

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December 3, 2008

The Honorable Barack Obama
President-elect
Washington, DC 20270

Dear President-elect Obama:

On behalf of more than one million members and supporters, Ducks Unlimited would like to offer our congratulations on your election as President of the United States. We believe there are many reasons to be optimistic about the nation's conservation future as you begin your term of office.

Ducks Unlimited (DU) is one of North America's premier conservation organizations and is widely recognized as the world leader in wetlands conservation. We are a charitable, non-profit, 501(c) (3) organization with members and supporters in all 50 states and more than 60,000 active volunteers. We conserve, restore, and manage wetlands and associated habitats for North America's waterfowl. Since 1937, we have directly conserved over 12 million acres of habitat in North America.

DU's work is guided by science and implemented through collaborations with a wide range of public and private partners, especially private landowners. We have an extensive history of cooperation with farmers, ranchers, and landowners across North America where we promote voluntary, incentive-based, non-regulatory approaches to conservation.

In April 2008, Jason Grumet, head of the Environment and Energy Committee of the Obama campaign, publicly said that you have worked with DU in the past. Given that history and our mutual concerns about the future of conservation and the economy, we want you to know that DU stands ready to expand this partnership, and to assist your Administration in any way possible.

DU's on-the-ground habitat protection work means we have spent more than 71 years creating environmentally sustainable job opportunities well before the current trend towards greening America's workforce. DU looks forward to working with your Administration to continue our tradition of creating green jobs in the private sector.

Citizens all over the nation are becoming more invested in the environmental health of our country. Following a century long tradition begun by outdoor sportsmen and women, they have come to realize the value in preserving and restoring our natural heritage. As a result, conservation enjoys bipartisan support in both the House of

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Representatives and the Senate. The current wave of support presents a valuable opportunity to initiate important changes that will create jobs, protect the nation's environment and water supply, and preserve critical wildlife habitat, all while positively addressing the more pervasive issue of climate change. We stand ready to work with you in protecting our nation's natural treasures.

To help initiate this work and open dialogue with you and your new Administration, we are pleased to share with you our perspectives on several priority policy issues. You will find attached to this letter summaries of nine policy areas that we consider the highest priorities for wetlands and waterfowl conservation. We hope you and your staff will incorporate these priorities in your strategic approach to conservation.

Ducks Unlimited would welcome the opportunity to meet with you and members of your Administration to discuss these policy issues in more detail and to develop plans to work together. We also offer you the assistance and expertise of our team of scientists, who we believe to be the best of the best in not only the United States, but the world.

Sincerely,

W. Bruce Lewis
President

D.A. (Don) Young
Executive Vice President

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POLICY RECOMMENDATIONS

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- Wetland Water Supply
- National Watershed Conservation
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CLIMATE CHANGE: WETLANDS COROLLARY

Background: North America's migratory waterfowl and the habitats they require are valued by society, yet wetlands and associated uplands are among the most vulnerable ecosystems to variations in climate. In fact, climate change poses one of the single greatest threats to ecological goods and services provided by wetland ecosystems to humans. The benefits that these natural resources provide are ecological, social, and economic, and include a host of goods and services.

Climate change threatens wetlands, riparian areas, and floodplains in a number of ways. Projections for the next 100 years indicate extensive warming in many areas, changing patterns of precipitation, accelerating sea-level rise, changing of the timing and length of seasons, declining snow packs, and increasing frequency and intensity of severe weather events. Sea-level rise is regarded as one of the more certain consequences of climate change. The projected two- to five-fold acceleration in rates of global average sea-level rise during the next 100 years would inundate low-lying coastal wetlands. Such reductions in these wetlands would cause loss or degradation of important ecological goods and services, including hurricane and flood attenuation, seafood production, and migratory bird habitat maintenance.

The Prairie Pothole Region (PPR) of the United States constitutes the most critical nesting grounds for ducks and other wetlands and grassland dependant birds in North America. The disappearance of a significant percentage of wetlands and a reduction in wetland size in this area can be expected with increases in temperatures and/or reduced precipitation. Recent research suggests that the predicted increase in temperatures in the Northern Great Plains over the next 50 years will result in more frequent droughts and declines in the numbers of both prairie wetlands and ducks. The loss of these wetlands will greatly reduce waterfowl and other wetland-dependant migratory bird populations.

Need: Postponing federal action on climate change in the United States will result in an accelerated rise in the atmospheric concentrations of greenhouse gases (GHGs), thus increasing the likelihood that worst-case scenario climate predictions could become reality. It is imperative that the Obama Administration and Congress move swiftly to adopt effective climate and energy policies that will protect society as a whole and North America's waterfowl, other wildlife, and wetlands and other habitat.

Additional research is required to determine how different types and classes of wetlands mitigate or influence climate change. It is estimated that wetlands, which include only about 6% of the earth's terrestrial area, contain carbon stocks equal to the total atmospheric carbon store. Rising temperatures and reduced water levels will release carbon from wetlands. While peat bogs and other wetlands, riparian areas, and floodplains continue to store vast amounts of carbon, increased temperatures will melt permafrost and cause oxidation of organic soils, releasing significant amounts of carbon into the atmosphere. Adjustments must be made in wetland, riparian zone, and floodplain management and policy to reduce climate impacts and maximize the storage of carbon.

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Recommendations: Federal policy must support research on the impacts of climate change on water and wetland resources, while maximizing the various ways these resources can be managed to mitigate the effects of climate change. It is imperative that federal climate change and energy policies: (1) set specific limits on the nation's GHG emissions; (2) protect and enhance the ability of forests, grasslands, wetlands, and other natural systems to absorb and store carbon; (3) protect water resources and water quality; (4) strengthen programs to promote energy efficiency; (5) support the development of market-based tools for conservation of environmental goods and services; and (6) accelerate deployment of clean renewable energy sources. Specific policy actions and recommendations include:

- Set mandatory caps on GHG emissions that are significant enough to reduce the threat of climate change to wetlands and associated habitats.

- Create a federal cap and trade GHG program that utilizes market forces to achieve cost-effective environmental protection and generates new revenue streams for conservation of biological carbon sinks.

- Establish a federal climate change Adaptation Fund which will source revenue from the auction of allowances under a cap and trade program to support restoration, protection, or remediation of wildlife habitats on both public and private lands to assist habitats in becoming more resilient, adapting to, and surviving the impacts of climate change. Funds should be distributed via existing federal and state wildlife programs and appropriate grant programs. Funds should be available to both public and private efforts.

- Institute disincentives for converting native or restored habitats for the purpose of meeting demand for biofuels such as corn ethanol, an unsustainable energy strategy.

- Ensure that biological carbon offset projects play an important role in a federal GHG cap and trade program by allowing at least 15% of an annual GHG allowance cap to be met with certified domestic offset allowances with no limitations on the percentage use of approved terrestrial offsets.

- Allow offset projects that meet the requirements of existing state, regional, or federal GHG programs or meet the standards established under a voluntary private registry or GHG reduction program to be eligible under a federal cap and trade program.

- Appropriate federal funds for monitoring and research on known and potential impacts of climate change on species and habitats.

Ducks Unlimited looks forward to being a scientific and policy resource for the Obama Administration on the important issue of climate change and the challenges facing our country's wetlands and natural resources. If you would like more information on DU's Climate Change policies, our white paper can be found on our website at www.ducks.org.

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OBAMA-BIDEN TRANSITION PROJECT

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DUCKS UNLIMITED

CLEAN WATER ACT: THE NATION'S WATERS AT RISK

Background: The Clean Water Act (CWA), which was passed in 1972 "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters," has provided the foundation for protecting the rivers, wetlands and water supply of the U.S. By the 1980s, the U.S. had already lost over 53% of its wetlands, a critical component of the nation's interconnected water supplies and fish and wildlife habitats. The U.S. continues to lose more than 80,000 acres of wetlands important to wildlife every year.

Two narrowly split and confounding U.S. Supreme Court decisions in 2001 and 2006 were misinterpreted by the U.S. Army Corps of Engineers (USACE) and Environmental Protection Agency (EPA) to administratively remove all CWA protections from 20 to 60 million acres of wetlands and more than 59% of stream miles in the continental U.S. Withdrawal of these protections by the USACE and EPA has increased the risk to our drinking water supplies, increased the likelihood and costs of flooding along major rivers, coasts and other waters, reduced water supplies, accelerated the loss of wetlands and aquatic habitats for waterfowl and other fish and wildlife, and decreased our ability to adapt to and mitigate climate change. In addition, the increased uncertainty introduced by the courts has made compliance with the law unnecessarily difficult for both the public and the agencies entrusted with CWA enforcement.

The confusing court decisions and agency interpretations stem from a failure to recognize and formally acknowledge that virtually all of the nation's waters are interconnected. This has resulted in inconsistencies with the federal agencies withdrawing protection from broad categories of waters such as "geographically isolated wetlands" due to the scientifically incorrect assertion that they lack a connection to federal waters and other interests.

Need: Over 111 million Americans drink water from public supplies fed by streams and other waters no longer protected by the CWA. Furthermore, these surface waters also contribute significantly to recharging groundwater sources. Decreased water availability and quality means decreased human health and welfare, and higher water treatment costs for communities and taxpayers. The economic impact of not protecting our waters (with the negative impacts on water quantity and quality, flooding, recreational economies, and communities), amounts to many billions of dollars.

Wetland loss means increased flood damage such as that seen in the Midwest and Gulf coast recently. Flooding causes an estimated $3.7 billion in damages annually. Wetlands at greatest risk provide essential habitat for most of the nation's duck breeding population and many other species of fish and wildlife. Once contaminated or lost, cleaning up or restoring our waters and wetlands is often prohibitively expensive or impossible. The nation's waters and wetlands are particularly vulnerable to the impacts of climate change. However, conservation of our waters is at the same time a key strategy for adapting to and mitigating the impacts of climate change.

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Water has been consistently documented to be the public's top environmental issue. One nationwide survey recorded 15 times more citizens who believed there were too few wetlands compared to those who thought there were too many. Over 90% thought it was important to conserve wetlands.

Recommendations: Two overarching objectives can and should be addressed immediately so that the landmark Clean Water Act can once again provide the basis for "restor[ing] and maintain[ing] the chemical, physical, and biological integrity of the Nation's waters," as it had for 30 years prior to 2001. Those objectives are to (1) restore longstanding protections to the interconnected water and wetland resources of the United States, and (2) provide clarity regarding the waters of the U.S. that are within the jurisdiction of the Clean Water Act.

To achieve those objectives, DU recommends that the Obama Administration take the following specific actions:

- Provide leadership and support for legislation, such as the Clean Water Restoration Act, that fully restores the level of Clean Water Act protections that existed from 1972 until 2001 by eliminating all judicial uncertainty regarding the intent of Congress;

- Remove the regulatory guidance provided by the USACE/EPA since 2001 on the CWA's jurisdictional wetlands and replace it with new guidance that defines and protects the waters of the U.S. in a manner consistent with Congressional intent and within the bounds of the Supreme Court's recent decisions.

- Develop new legislative authority to specifically protect freshwater and coastal wetlands across the United States due to their environmental and economic benefits. This should be a cooperative effort with agencies at the state level.

- Funding for wetland habitat programs is critical to the future of these important ecosystems. Providing maximum authorized funding for the North American Wetlands Conservation Act, Partners for Fish and Wildlife Program, Coastal Program, Joint Venture, and National Coastal Wetlands Conservation Program efforts is a high priority for wetlands and habitat conservation.

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DEPARTMENT OF AGRICULTURE: FARM BILL IMPLEMENTATION

Funding for wildlife habitat first found its way into the federal Farm Bill in the mid-1930's, and since then more than 1.5 million farmers, ranchers, forest owners, and landowners have participated in Farm Bill conservation programs. This funding has become a crucial component of the nation's natural resources conservation strategy. As the Obama Administration works to implement the 2008 Farm Bill, it is critical that waterfowl-friendly conservation programs that have contributed to the economic viability of America's farmers and ranchers and a healthier environment are restored, maintained, and enhanced.

Since the passage of the 2008 Farm Bill, multiple factors have altered the accessibility and economic viability of certain conservation programs to landowners, as well as the ability to provide habitat for waterfowl and other wildlife. We are confident that through collaborative efforts, members of the Administration and Ducks Unlimited (DU) can ensure that conservation programs provide private landowners with viable financial incentives to restore and protect large tracts of grasslands and wetlands that benefit North American waterfowl and other wildlife. In implementing the Farm Bill, we hope the Obama Administration will act to support DU's motto of "Farm the best, Conserve the rest".

CONSERVATION RESERVE PROGRAM (CRP)

Background: CRP, America's most successful conservation program, is credited with saving 450 million tons of topsoil every year and protecting more than 170,000 miles of streams nationally, and generating more than 2.2 million ducks each year from the Prairie Pothole Region (PPR) of North and South Dakota. The program encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to resource-conserving vegetative cover, such as tame or native grasses, wildlife plantings, trees, filterstrips, and riparian buffers.

Need: A large percentage of CRP contracts in the PPR will expire between now and 2012, with no plan in place to renew or replace these contracts. At this time, limited opportunity exists to allow landowners to renew their contracts or to sign new ones. In addition, the processes currently used to establish rental rates are subjective, political and in many cases, are creating a wide disparity between CRP rental rates and cash rental rates for similar cropland. High commodity prices and increased corn ethanol demand reduce landowner interest in CRP, even when opportunities for enrollment do exist.

Recommendations: DU urges the Obama Administration to authorize general sign-ups once again and to recognize the importance of the PPR as a national conservation priority area when considering enrollment criteria. We also urge USDA to use statistical market surveys to determine annual rental rates so that the process is no longer arbitrary and rental rates can be adjusted to reflect current land rent values. We also strongly encourage the Administration to maintain the integrity of CRP contracts by not allowing early contract withdrawal without penalty, as proposed by the Farm Service Agency in Summer 2008.

WETLANDS RESERVE PROGRAM (WRP)

Background: WRP is one of the most successful federal wetlands conservation programs. The program provides a voluntary, non-regulatory, incentive-based program for private landowners, farmers and ranchers to protect and restore the functions and values of wetlands on their property. WRP provides societal benefits such as improved water quality and quantity, reduced flood damage and enhanced wildlife habitat.

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Need: The continental U.S. has lost over 50% of its wetlands and continues to lose these wetlands important to wildlife at the alarming rate of 80,000 acres annually. WRP continues to be a popular and successful program for landowners, and demand outstrips available funding by at least 3:1.

Recommendations: DU urges the Obama Administration to support full funding of the WRP and an annual acreage cap that does not limit wetland restoration opportunities for willing landowners. DU also recommends that the Administration work to resolve the Technical Assistance (TA) provider issue so that WRP can be delivered, allow TA funds to be carried over for more than one year, and to ensure TA allocations are significant enough to cover state allocated acres. Additionally, DU urges support in providing state NRCS offices with the staffing and funding to enable them to deliver WRP and other Farm Bill programs. Finally, DU urges the Administration to help resolve the WRP appraisal and ownership issue so as not to discourage landowner interest in this critically important conservation program.

CONVERSION OF NATIVE GRASS- "SODSAVER"

Only 22 million acres of native prairie remain in the U.S. portion of the PPR and only about one million of these acres are protected in perpetuity. Incentives in the commodity title of the new Farm Bill coupled with a strong corn-based biofuels market are encouraging farmers in the PPR to convert native prairie to cropland. As a result of this irreversible change in land use, the livelihood of our nation's ranchers are being threatened, habitat for a myriad of prairie dependent wildlife is disappearing, and large amounts of carbon are being released in to atmosphere, exacerbating climate change. The Administration should specify that conversion of native prairie without a prior cropping history should be permanently ineligible for all farm program payments.

BIOFUELS

The 2008 Farm Bill provided several helpful tools to promote the next generation of renewable energy. Care must be taken to ensure that the conservation of waterfowl, other wildlife, water resources, and the substantial environmental gains made under USDA conservation programs are not lost. DU urges the Administration to ensure the implementation of biofuels programs are consistent with the conservation of waterfowl and other wildlife. Research and development funding should be prioritized to rapidly promote the next generation of biofuels technology based on perennial crops that are managed to provide both environmental and fuel benefits to society.

CONVERSION OF WETLANDS PROTECTION- "SWAMPBUSTER"

Swampbuster, a provision in the Farm Bill, has been in law over 20 years and is the only disincentive keeping at-risk wetlands from being lost in crop-dominated landscapes. Many of the remaining wetlands vital to waterfowl are located within native prairie or CRP grasslands and are vulnerable to loss or degradation if the surrounding grasslands are converted. The U.S. Fish and Wildlife Service estimate that breeding waterfowl populations would be reduced by 38 percent with the loss of at-risk wetlands in the PPR. DU urges the Administration to maintain current protection measures for preventing conversion of wetlands to other uses and to strengthen enforcement of the Swampbuster provision.

ACCESS- "OPEN FIELDS"

DU supported a provision in the Farm Bill creating a new program that encourages state governments to establish recreational access programs on private lands. The number one reason identified for the decline in hunters is decreased access to land. DU urges USDA to fully fund this new access program and to ensure that states publicize the location of enrolled lands.

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ALTERNATIVE ENERGY DEVELOPMENT

Ducks Unlimited (DU) recognizes and supports national policies intended to reduce our dependence on foreign oil and to generate clean, renewable sources of domestic energy. If these policies are implemented in a balanced manner and with attention to environmental concerns, they can generate energy even as they enhance environmental health and improve the status of waterfowl and other wildlife. The following issues are identified by DU as opportunities for the Obama Administration to merge these benefits while avoiding unintentional environmental consequences.

RENEWABLE FUEL STANDARD AND CORN ETHANOL

Background: Implementation of the Renewable Fuels Standard (RFS), with its heavy dependence on corn ethanol, could have serious environmental consequences and will negatively impact waterfowl and other wildlife populations. There are substantial and largely unaccounted environmental costs associated with the production of corn ethanol. Most corn is irrigated, and demands an enormous amount of freshwater. Much of this water is derived from aquifers that are being depleted at an alarming rate. Extensive fertilization is also required to grow corn, which leads to enriched runoff that degrades our streams and wetlands, and contributes to the enormous problem of hypoxia in the Gulf of Mexico. The processing of corn into ethanol also generates substantial quantities of wastewater. Lastly, the demand for additional corn brought about by the RFS creates a large incentive to convert existing grasslands and wetlands to cropland. Grasslands are a threatened and critical biome vital to North America's waterfowl and other wildlife. The price paid for these environmental consequences overshadows the marginal net energy gain achieved by generating renewable fuels from corn.

Need: The federal government should advocate a balanced approach to meeting our demands for transport fuel. The Alternative Fuels Standard (AFS) is a better alternative than the RFS signed into law as part of the Energy Policy Act of 2005, because the AFS recognizes second generation, ligno-cellulosic feedstocks as an important part of the fuel equation.

Recommendations: DU urges the Administration, with input from conservation organizations and other stakeholders, to implement a critical re-examination of the role that corn ethanol and other "first-generation" alternative fuels should play in meeting our nation's fuel needs. It will be particularly important to conduct a full cost accounting of potential environment effects and to provide industry with incentives to implement environmental safeguards through appropriate tax credits and other price supports.

SECOND GENERATION BIOFUELS

Background: Second-generation biofuels derived from dedicated biomass crops have the potential to mitigate the damaging effects of corn ethanol and other first-generation biofuels, while at the same time providing additional environmental and wildlife benefits. Under appropriate management regimes, biomass crops such as switchgrass may provide nesting habitat for waterfowl and other birds, enhance wildlife-based recreation, and help mitigate climate change by sequestering carbon. These co-benefits represent potential new revenue streams to

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landowners, which would benefit individuals, communities and the environment while offsetting the start-up costs of the biomass energy industry.

Need: Grasslands in the critical waterfowl breeding habitat of the Northern Great Plains are being lost at an accelerating rate due to high commodity prices and associated demand for additional cropland acres. Appropriately managed biomass crops could partially mitigate this loss by providing surrogate nesting habitat attractive to waterfowl and other species. At the same time, we must guard against converting our imperiled native prairie grasslands for biomass energy production because the rich bio-diversity of these grasslands cannot be replaced, and for many species this native prairie provides the only suitable nesting habitat.

Recommendations: DU recommends that the Administration (1) advocate for implementation of voluntary guidelines crafted by the *Council for Sustainable Biomass Production*, a group that reflects consensus positions from a coalition of industry and environmental/conservation organizations, (2) increase research and monitoring funds to investigate and quantify the environmental co-benefits of biomass crops, (3) create rules that will enable landowners to market ecological goods and services derived from such lands, and (4) develop incentives so that industry does not destroy valuable native habitats but instead implements practices that benefit conservation and the environment.

WIND ENERGY

Background: Large wind farms are being developed in waterfowl migration corridors, wintering grounds, and breeding habitats for waterfowl. The direct and indirect effects of these wind farms on waterfowl and other wildlife populations are largely unknown.

Need: As the rate of wind farm developments increases, it will be vitally important to ensure that factors such as tower density and placement do not negatively impact waterfowl or endangered species. Most of our understanding of wildlife effects is derived from studies of old wind farms with lattice structure supports, smaller blade diameters, and higher densities of tower placement. Thus, it is difficult to extrapolate results from these studies to contemporary wind farm designs.

Recommendations: DU urges the Obama Administration to fund and promote additional research on the wildlife and environmental effects of wind farms, particularly in areas of the country critical to waterfowl and wildlife populations. In the interim, it will be important to develop "best management practice" guidelines that can be adopted by wind farm developers, and incentivize adoption of these guidelines through a tiered system of wind production tax credits and other financial instruments associated with wind energy production.

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DEPARTMENT OF THE INTERIOR

Ducks Unlimited's partnership with the Department of the Interior (DOI), and especially the U.S. Fish and Wildlife Service (FWS), covers a broad range of issues. Many DOI programs provide a wealth of benefits to wetlands, waterfowl, and wildlife habitat and will be extremely valuable in the future as we work to protect America's most important natural areas.

FWS-NORTH AMERICAN WETLANDS CONSERVATION ACT (NAWCA)

Background: Enacted in 1989, NAWCA provides federal cost-share funding to support habitat for wetland-dependent wildlife through challenge grants for habitat projects in the U.S., Canada, and Mexico. NAWCA partnership grants play an essential role in realizing the success of the North American Waterfowl Management Plan, the model for North American multi-species habitat conservation. It restores wetlands systems that have been altered, enhances water availability in time of drought, and mitigates damaging effects of floods.

Need: NAWCA has become one of the federal government's most effective and popular conservation programs. It was recommended for $42.6 million in appropriations for FY09. Every dollar of federal funds allotted to NAWCA must be matched by one or more non-federal dollars from sources such as NGOs, state fish and wildlife agencies, or corporations. NAWCA has been a benchmark of fiscal responsibility by providing an excellent return on a relatively modest federal investment. These actions stimulate public-private partnerships to protect, restore, and manage wetland habitats for a diverse population of migratory birds and other wildlife. It is extremely popular with lawmakers and landowners.

Recommendations: DU urges the Obama Administration to support appropriations that will continue and build upon this very successful program. Congressional reauthorization of this program is due by late 2011.

FWS-NATIONAL WILDLIFE REFUGE SYSTEM (NWRS)

Background: At 97 million acres, the NWRS is the world's premiere system of public lands devoted to conserving wildlife. Under the Small Wetlands Acquisition Program, DU partners with the FWS and private landowners to add lands to the Refuge System, particularly in high priority areas of the northern Great Plains. DU is a charter member of the Cooperative Alliance for Refuge Enhancement (CARE), a diverse 21-organization effort to address operations and maintenance funding deficits within the NWRS.

Need: Appropriations for the Refuge System have been inadequate for decades, especially "Operations and Maintenance" funding. Congress passed a spending bill that included a critically needed increase to a total of $434 million. This level of funding helps, but does not cover, the full cost of operating the NWRS, and DU believes that a minimum increase of $15 million annually will be necessary to cover costs and inflation. The lack of funding evident over several years has led to the degradation of more than 2.3 million acres due to invasive species, shortage of water on western refuges due to poor water infrastructure, viewing trails in disrepair, elimination of visitor education programs, and a lack of security leading to rising crime. It is crucial that funding be increased for the NWRS to benefit our nation's wildlife resources.

Recommendations: The top funding priority for the NWRS is an additional $10 million/year for the Small Wetlands Acquisition program. CARE requests that the Administration support full

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appropriations of $570 million for fiscal year 2010 and recommends funding of the refuge system at $765 million by fiscal year 2015. DU urges the Administration to make adequate Operations and Maintenance funding for proper stewardship of the NWRS a priority in its budget recommendation to Congress. DU also encourages the Administration to support increased opportunities for hunting and fishing in the NWRS that are consistent with the refuge's conservation mission.

FWS-Division of Migratory Bird Management (DMBM)

Background: The Division of Migratory Bird Management (DMBM) has a history of using cooperative conservation efforts to perpetuate healthy populations of migratory birds in North and South America. DU supports the DMBM's programs that survey bird populations, monitor effects of climate change, and prepare focal species initiatives.

Need: For over 50 years FWS has flown specific routes to determine the status of continental waterfowl populations. Due to a dangerously aging fleet and the price of fuel, it has become more expensive to conduct bird population surveys and monitor the effects of climate change. The surveys serve as the basis for estimating waterfowl populations and informing wildlife managers on data needed to sustain populations. Over the past three years, DMBM has begun to address declining populations of 9 focal species, with an additional 30 species identified as critical. Implementation of these plans is highly dependent on resources, and funding must be increased to allow DMBM to begin these projects.

Recommendations: DU urges the Administration to increase funding to $36 million for the conservation and monitoring of these vital waterfowl and bird programs.

Wetlands Loan Act and the Federal Duck Stamp Program

Background: The Wetlands Loan Act, first enacted in 1961, authorized an advance of funds against future sales of the federal Duck Stamp to accelerate the acquisition of refuge habitat for migratory waterfowl. Funds from sale of Duck Stamps have purchased more than 5.2 million acres of waterfowl habitat, thus helping to create the NWRS.

Need: The Federal Duck Stamp price hasn't been increased since 1991 and its buying power has decreased dramatically since that time. Land prices have outstripped the stamp's ability to protect habitat at the current price, and each year stamp revenues buy less and less land. For example, the price of land in the Prairie Pothole Region of North and South Dakota, a vital waterfowl nesting habitat, has gone up dramatically and in some areas it has tripled in the past ten years.

Recommendations: Raising the price of the Federal Duck Stamp will dramatically increase our ability to secure vital wetlands habitat. All evidence points to further increases in land prices, and we must capitalize on the need now rather than waiting for prices to climb. DU urges the Administration to propose increasing the price of the duck stamp to $25 immediately, and to $35 by 2015, to begin to offset inflation and the rising cost of land so crucial to wildlife.

Other FWS Programs

Numerous other FWS programs are critical to protecting and managing wildlife habitat. DU recommends that these programs be fully funded. They include the Partners for Fish and Wildlife Program, Coastal Program, Neotropical Migratory Bird Conservation Program, National Coastal Wetlands Conservation Program, and Joint Ventures Programs.

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WETLANDS WATER SUPPLY

Wetlands require a reliable, adequate water supply to function and provide the multitude of benefits they produce for our nation and its wildlife. Most often that water supply comes directly from natural precipitation and runoff. In much of the eastern United States, water supply for wetlands poses little problem, except during periods of drought. However, throughout the arid West, wetlands must compete with other demands – particularly urban uses and agriculture - for a highly variable, unpredictable, and limited water resource. Ducks Unlimited (DU) is committed to work with the Obama Administration to resolve and mitigate these water issues and proactively work to avoid the growing potential for problems in the East.

The West was settled largely on the back of diversion irrigation. While this water diversion facilitated the establishment of several large metropolitan areas and the development of millions of acres of productive farmlands, the environmental impact was the eradication of most of the West's natural wetlands. Tulare Lake in California, which used to be the largest freshwater lake west of the Mississippi, no longer exists. In the Klamath Basin between Oregon and Northern California, farmers, salmon and wetlands compete for limited river flows, resulting in the endangerment of several fish species, livelihoods of commercial fishermen and farmers, and one of the world's most important wetland complexes. The lower Colorado River has so much water diverted that it becomes a trickle by the time it reaches the Mexican border and wintering habitat for millions of migratory birds has been reduced to a small fraction of the historic acreage.

The U.S. Department of the Interior identified areas of the West where water supply crises are expected by 2025, and most of these areas are also recognized by DU and other leading wetland conservation organizations as critical to sustaining the continent's migratory bird populations. Yet, policies, programs and even entire bureaucracies, created at a time when wetlands and wildlife habitat were abundant and undervalued, have systematically created and perpetuated the declining condition of these wetlands. It is vital that wetlands and associated wildlife habitat are considered as public policy is developed, modified, and implemented to ensure that the dire situation in the West not only abates, but also improves.

There are two particular areas of water supply policy development and implementation that DU believes must be addressed.

CENTRAL VALLEY PROJECT IMPROVEMENT ACT (CVPIA)

Background: The CVPIA, enacted in 1992, mandated the delivery of water supplies to critical Pacific Flyway wetlands. Specifically, it required the U.S. Bureau of Reclamation (BOR) to provide full base-level supplies of water to key wetland areas, provide water needed to mitigate for the impacts of agriculturally contaminated water on the Kesterson National Wildlife Refuge, and ramp-up to optimal base levels of water by 2002. If this promise of water supply had been realized, the result would have been ecologically appropriate water conditions on water-poor federal refuges, state wildlife areas and some private wetlands. Even so, these improved wetlands would represent only a small percentage of historic Central Valley wetlands lost to agriculture and urbanization.

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Need: Some progress has been made in complying with these mandates. As a result of the efforts of the BOR and other conservation partners, more reliable water supplies have provided some habitat for migratory birds during the winter months. However, full refuge water supplies – winter and summer water – have never been achieved, and compliance with the promises of the Act is still far from reality. As a drought in the West and population growth continues, the prospects for significant progress are dwindling.

Passage of CVPIA was considered to be the turning point for reliable water supplies at key Central Valley wetlands and mitigation for the years of damage to fish and wildlife through government-sponsored drainage programs. The Bureau has been unable, however, to develop creative means to increase water supplies in many instances. A number of actions could improve the status of wetlands in the region. A little-used CVPIA program could retire less productive farmland and reduce the demand for scarce water. Increases in staffing devoted to this work and upgraded facilities to convey the water supplies to refuges could result from budgets appropriated for wetland improvement. Short-term water contracts and ground water pumping have not been sufficient to assure the long-term water supply needs. Permanent water rights have been available and need to be acquired to ensure wetland functions and values in the Central Valley.

Recommendations: DU urges the Obama Administration to (1) examine the staffing and organizational structure of BOR and FWS to ensure more effective implementation of the CPVIA, (2) support budget appropriations that make up for past internal shortfalls needed to accomplish the Act's goals, and (3) support budget appropriations needed to pay for the federal share of costs associated with the purchase of permanent water rights.

WATER SUPPLY AND ENERGY DEVELOPMENT

Background: Water is used for the development and production of energy resources, including alternative energy sources such as oil shale, oil sands, and ethanol. Some of these processes use very large amounts of water. Moreover, some components of the production process are transferable, yet continue to be promoted and subsidized in locations where water is in short supply and its use by the energy industry competes directly with water supplies for wetlands and other important water needs.

Need: Federal subsidies and other means of promoting and encouraging energy production operations in water-short areas of the country should be discontinued and energy development redirected to locations where water is in greater supply.

Recommendations: To the extent that ethanol production plants continue to be promoted as the means to provide alternative energy sources, DU encourages the Obama Administration to support incentives to locate new plants in areas outside of the Prairie Pothole Region of the Great Plains. In addition, the consumptive use of water in other forms of energy development and production should be examined carefully to minimize use of water and to relocate away from critical wetlands necessary to support the Nation's breeding and wintering migratory birds.

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NATIONAL WATERSHED CONSERVATION

The internationally-important watersheds and ecosystems of the United States provide our citizens with clean and abundant drinking water, outdoor recreation, fish and wildlife habitats, and quality of life. These same waters provide navigation and directly benefit our nation's farmers, commercial fishermen and factory workers. Yet, these systems are being degraded by pollution, sedimentation, invasive species, excessive demand, and land use decisions. The following watersheds are Ducks Unlimited's (DU) most important policy priorities.

GULF COAST

Gulf Coast wetlands are rapidly being inundated by the Gulf of Mexico. More than 1,900 square miles of Louisiana's coastal marshlands have disappeared since the 1930s. These wetland losses are the result of levee construction and flood control throughout the Mississippi River Basin, which have reduced sediment deposition, and by coastal subsidence. Wetlands the size of one football field are lost every 30 minutes while salt water is covering what was once more than one million acres of vibrant, wildlife-rich freshwater or brackish marshes. Loss of these wetlands to buffer storm surges has increased damage caused by hurricanes and negatively impacted fisheries, and wildlife and associated industries, and recreation. DU is currently engaged in wetland restoration work here, and a broad coalition of partners is working to conserve this watershed, but with limited success to date, due to a lack of coordinated commitment by federal agencies.

GREAT LAKES

This region contains 20 percent of the surface fresh water in the world, and provides drinking water to more than 20 million people. Scientists state that the Great Lakes are at a tipping point, with the potential for ecological collapse. More than 66% of the wetlands that border the Great Lakes have been destroyed, and industrial contamination, sedimentation, and invasive species have severely degraded those that remain. A Great Lakes Regional Collaboration has been formed representing federal, state, tribal, local, business and conservation organizations.

CHESAPEAKE BAY

The Chesapeake Bay is the nation's largest estuary, and is a tremendously important source for commercial fisheries and shellfish, waterfowl, and outdoor recreation. Although a long term restoration plan has been developed for the Bay, insufficient conservation actions and a burgeoning population have limited positive gains in water quality, fish, and wildlife populations and environmental health.

MISSISSIPPI RIVER BASIN AND MISSISSIPPI ALLUVIAL VALLEY

The Mississippi River and its floodplain, one of the largest in the world, have been severely impacted by agriculture, navigation and deforestation. This region is among the most critical migration and wintering habitats for North America's waterfowl population, and supports millions of waterfowl annually. Partnerships need to be expanded to ensure the wise use and management of the river that acknowledges the multiple use functions and values, including fish and wildlife.

PRAIRIE POTHOLE REGION

Grasslands and wetlands of the Prairie Pothole Region are the nation's most important breeding ground for waterfowl and other wetland and grassland nesting birds. They also support vital and

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productive livestock operations as well. Both native grasslands and wetlands are at risk of continued loss and degradation, potentially impacting all lower 48 states and the billion dollar waterfowl and wildlife industry. Conversion of marginal lands to grain production is the single most current threat. Loss of these vital habitats negatively impacts flood control, groundwater recharge, and threatened plants and animals.

Platte River of Nebraska, Colorado, and Wyoming

Diverse and excessive demands on limited water resources from agriculture, commercial and residential development along the Platte River threaten this extraordinary natural system. This region provides critical spring and fall migration habitat for ducks, geese, and other birds. Diverse partnership-based efforts to restore the natural systems and permanently protect the Platte River ecosystem in the three states are underway and require continuing federal attention, leadership, and support.

Central Valley of California

Approximately 95% of the historic wetlands of the Central Valley have been eliminated and replaced by agriculture and urbanization. Many issues concerning the remaining 5%, such as land use conflicts and pollution, remain unresolved. However, the most difficult issue is unsustainable competition for water supply with agriculture and a thirsty population. While the north half of the Valley has fared well, areas south of the Sacramento-San Joaquin Delta are at risk due to the difficulties of conveying water through the Delta and the ecological impacts of doing so. Without resolution of those issues, a large portion of the single-most important wintering area in North America may become chronically dry and unproductive.

Pacific Northwest

Winter rainfall is abundant in this region, so water supplies are generally not limiting. However, loss of wetlands continues through competition with agriculture and urbanization. Wetlands historically provided an important nursery area for fish, particularly salmon which is vital to the economic health of the region. Work has been ongoing to restore wetlands for the dual benefits of salmon and waterfowl, much of it funded through Federal and state programs.

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Need: Millions of Americans rely on the ecological goods and services provided by these watersheds. They provide quality drinking water, navigation, agricultural products, and recreation from a diverse and abundant natural resource base. Unchecked continued degradation of these systems means decreased human health and welfare, and reduction of our nation's natural capitol. Protection and restoration of riverine and coastal wetlands reduces pollutants, resulting in higher water quality and lower treatment costs, and provides flood control, thus reducing an estimated $3.7 billion in flood damages each year.

Recommendations: DU recommends that the Obama Administration focus on the conservation of these national watershed regions, in partnership with the affected states, tribes and private organizations and industry. These partnerships, if catalyzed by federal funding, can accelerate watershed protection and restoration in key national watersheds. These funds will provide "green" jobs and help to stimulate the economy through habitat restoration and through the recreation and fishing industries that depend on this habitat. We further suggest that the Administration establish a National Watershed Initiative to coordinate and integrate partnership activities.

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DUCKS UNLIMITED

CONSERVATION TAX ISSUES: WORKING WITH PRIVATE LANDOWNERS

Background: Millions of acres of important habitat, open space, viewsheds, and cultural sites on privately owned land have been permanently protected by conservation easements under IRC 170 (h). Conservation easements and the related federal and state tax deduction and credits are widely recognized as being cost-effective public investments in the nation's best interest.

Congress and the out-going Administration have recognized the importance of conservation easements. In the 2008 Farm Bill, additional tax incentives related to landowners' federal income taxes were provided that increased the deduction from 30% to 50%, allowed farmers and ranchers to deduct up to 100% of their income, and increased the number of years over which a donor can take or spread the deduction. The current added incentives for donating conservation easements are a two-year provision that will expire with the 2009 tax year.

Today, the average age of agricultural landowners continues to increase, and the interest in fee-simple donations of land is increasing. Congress has recognized the importance of charitable giving and the important role non-profit organizations play in our nation and our quality of life by passing a two-year authorization of the Public Good IRA rollover, which allows direct-gifting Individual Retirement Accounts (IRAs) after age 70½ with certain limitations through the 2009 tax year. This authorization has provided many landowners with a strong incentive to donate their land in fee-simple for the purposes of preservation of wetlands and waterfowl habitat.

Need: Private lands are critically important to the future of the environment and the wildlife habitats that associated species need to survive and flourish. Land use decisions, often made reluctantly by private landowners because of economic pressures, can diminish and in many cases eliminate the value of these lands as valuable natural habitats. Experts agree that in order to conserve these important privately owned habitats, we must substantially increase the rate at which we protect these natural values.

Many private landowners want to donate land with high habitat values to public agencies or non-profit conservation organizations to realize tax benefits for charitable giving. However, the level of financial support from generous, philanthropically oriented Americans is a limiting factor in the scope of programs and effectiveness of non-profit conservation organizations. Increased tax benefits for land donation for the purpose of habitat preservation will encourage more landowners to conserve their property. These donations, in exchange, provide unparalleled benefits and protection of America's most important and valuable natural areas.

Recommendations: DU recommends that the Obama Administration support these important conservation tax policy initiatives:

- Provide leadership in making permanent the tax incentives for donated conservation easements authorized in the 2008 Farm Bill so that private landowners can undertake financial and conservation planning beyond 2009.

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- Develop policies and initiatives to increase tax flexibility and incentives for landowners who make fee-simple land donations to government agencies and qualified non-profit conservation organizations.

- Make the IRA direct gift provision that expires in 2009 permanent.

- Lead expansion of the IRA charitable rollover options to include life income gifting plans, (charitable remainder annuity trusts, charitable gift annuities with immediate payments and standard payout charitable remainder unitrusts) to provide taxable income to donors, improve the financial strength of charities during difficult economic times and bring about increased federal revenues to our nation's treasury.

- Explore opportunities to enact tax credits that can provide conservation incentives to both individuals and business.

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DUCKS UNLIMITED

PERPETUATING THE NORTH AMERICAN MODEL OF WILDLIFE CONSERVATION

Background: The North American Model of Wildlife Conservation (NA Model) is based on principles of public "ownership" of wildlife, thus vesting a public trust responsibility in state and federal governments for the conservation and management of wildlife. The NA Model was born out of the unsustainable use of natural resources during the 1800s and is no less relevant today as challenges to conservation of energy, water, soil, forests, and wildlife are exacerbated because of a growing U.S. population and increasing demands for natural resources.

The strength of the NA Model is found in the willingness of resource users – hunters and anglers – to levy fees on themselves to directly pay for the management of fish and wildlife, as well as finance the protection and management of habitat. This revenue largely comes from license sales and excise taxes on the sale of equipment used in the sports of hunting and fishing. In addition to their financial contributions to resource management, sportsmen and sportswomen have traditionally formed the backbone of organizations that provide political support for protection of fish and wildlife habitat and promotion of the NA Model.

Waterfowl hunters are among the strongest advocates for science-based resource conservation. Their support for the North American Waterfowl Management Plan, established in 1986, is the basis for protection, restoration and management of nearly 16 million acres of waterfowl habitat. They also sponsored the North American Wetlands Conservation Act, passed in 1989, which has provided more than $790 million in federal dollars for wetlands conservation. This amount has been further leveraged four-fold by contributions from conservation partners, resulting in over $3 billion spent on habitat protection and improvement. In the longer term, the Migratory Bird Hunting and Conservation Stamp - commonly referred to as the "Duck Stamp" - has generated more than $700 million since its inception in 1934 and has been responsible for permanently protecting 5.2 million acres of habitat in the National Wildlife Refuge System.

Need: The U.S. population is becoming increasingly urban and trending away from nature-based recreation, and the nation's children are becoming increasingly disconnected from nature. Declines in participation in outdoor activities, such as hunting and fishing, erode the foundation of public awareness and support for legislation and programs designed to address the serious problems of energy, soil, water, and wildlife conservation, while at the same time reduce the financial resources that have preserved and restored much of America's wildlife habitat. Ducks Unlimited (DU), driven by the commitment of waterfowl hunters to conserve wetland resources, is an important source of support for important environmental legislation and conservation programs.

Recommendations: DU recommends that the Obama Administration adopt the following policy suggestions for implementation:

- Establish a new excise tax on additional categories of outdoor gear, not just firearms and ammunition, modeled after the Federal Aid in Fish and Wildlife Restoration Acts, to fully

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fund the existing state fish and wildlife management programs for the benefit of all types of fish and wildlife and people.

- Establish a Presidential Commission on Americans and Outdoor Recreation. Similar to President Kennedy's Youth Fitness Program, an executive level endorsement of programs to encourage youth and adult involvement in all types of outdoor recreation would greatly increase the profile of this important aspect of American's quality of life in the future.

- Support appropriations for the Open Fields provisions of the 2008 Farm Bill designed to encourage voluntary, incentive-based programs that expand public access to private lands.

- Encourage partnerships among the sportsmen-conservation community, conservation/environmental groups, and state and federal governments to strengthen mainstream interests in outdoor recreation in the U.S.

- Support an increase in the price of the Federal Migratory Bird Hunting and Conservation Stamp ("Duck Stamp"). The price of the Duck Stamp has not increased since 1991, and the "buying power" of the revenues produced have not kept pace with increasing land values and the greater needs to protect key wetland and waterfowl habitats.

- Support continued appropriations for the North American Wetlands Conservation Act.

- Support "No Child Left Inside" legislation designed to support the education needed to ensure America's children are aware of and understand the environmental issues that affect natural resources.

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