United States General Accounting Office

GAO

Testimony

Before the Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives

For Release on Delivery
Expected at
10:00 a.m. E.D.T
Wednesday,
April 5, 2000

SOUTH FLORIDA ECOSYSTEM RESTORATION

A Land Acquisition Plan Is Needed to Supplement the Strategic Plan Being Developed

Statement of Jim Wells, Director,
Energy, Resources, and Science Issues
Resources, Community, and Economic
Development Division

20000414 058

DTIC QUALITY INSPECTED 2

GAO
Accountability * Integrity * Reliability

GAO/T-RCED-00-137

Mr. Chairman and Members of the Subcommittee:

The South Florida Ecosystem Restoration Initiative is one of this country's most significant environmental endeavors. Restoring the ecosystem, which covers 18,000 square miles, or about 11.5 million acres, will take at least 20 years to complete. The South Florida Ecosystem Restoration Task Force, first established in 1993 by a federal interagency agreement and later expanded to include state, local, and tribal representatives, has been given the responsibility to coordinate and facilitate this complex, long-term effort. We are here today to discuss the Department of the Interior's actions in response to previous GAO recommendations to improve management of the initiative.[1] We will also discuss our report,[2] being released today, on (1) what the Task Force has done to identify and acquire lands needed to accomplish the goals of the restoration initiative and (2) what the Department of the Interior did to help ensure that it maximized the acreage purchased with $200 million set aside in the 1996 Farm Bill for the initiative. Today's report was requested by you and the Chairpersons of the Senate Committee on Energy and Natural Resources; the Subcommittee on National Parks, Historic Preservation, and Recreation, Senate Committee on Energy and Natural Resources; and the Subcommittee on Interior and Related Agencies, Senate Committee on Appropriations.

In summary, Mr. Chairman, last April, we made two recommendations to improve the management of the initiative. First, we recommended that the Secretary of the Interior, as the Chairperson of the Task Force, in conjunction with the other members of the Task Force, develop a strategic plan that would (1) outline how the restoration of the ecosystem would occur, (2) identify the financial resources needed to achieve the goals of the restoration, (3) assign accountability for accomplishing actions identified in the plan, and (4) link the initiative's strategic goals established by the Task Force to outcome-oriented annual goals. Second, we recommended that the Task Force work with organizations and entities participating in the restoration initiative to develop and agree on a decision-making process to resolve conflicts that will inevitably occur as the restoration progresses. We can report to you today that the Task Force is developing a strategic plan, which is scheduled to be completed in July 2000. Until the

[1] South Florida Ecosystem Restoration: An Overall Strategic Plan and a Decision-Making Process Are Needed to Keep the Effort on Track (GAO/RCED-99-121, Apr. 22, 1999).
[2] South Florida Ecosystem Restoration: A Land Acquisition Plan Would Help Identify Lands That Need to Be Acquired (GAO/RCED-00-84, Apr.5, 2000).

Task Force completes the plan, however, we cannot determine whether it contains all the components of a strategic plan that we recommended. In addition, although a conflict resolution process is not yet in place, the Department of the Interior has developed recommendations that it will propose to the Task Force in April 2000 for resolving "the most difficult conflicts" among the federal, state, tribal, and local entities participating in the initiative.

The report we are releasing today discusses land acquisition, a process integral to accomplishing each of the initiative's three goals—"getting the water right," restoring and enhancing the natural environment, and transforming the built environment. While critical to the initiative's success, we found that the Task Force has not yet developed a land acquisition plan that identifies all of the lands needed to accomplish the goals of the restoration initiative. Our report recommends that the Task Force develop such a plan. The report also highlights the importance of acquiring as much land as possible, and quickly, because undeveloped land in South Florida is becoming increasingly scarce and costly. To maximize the acreage acquired with the $200 million in Farm Bill funds, the Department of the Interior developed a cost-sharing policy that required the state of Florida to match the federal funds dollar for dollar. We found that the Department did not consistently require the state to match the funds. Had it done so, an additional $77 million would have been available to acquire lands for the restoration initiative.

Background

The South Florida ecosystem extends from the Chain of Lakes south of Orlando to the reefs southwest of the Florida Keys. This vast region, which is home to more than 6 million Americans, a huge tourism industry, and a large agricultural economy, also encompasses one of the world's unique environmental resources—the Everglades. For centuries, the Everglades provided habitat for many species of wading birds and other native wildlife, including the American alligator, which depended on the water flow patterns that existed before human intervention. However, the engineering changes from the Central and Southern Florida Project,[3] coupled with agricultural and industrial activities and urbanization, have reduced the Everglades to about half its original size and have had a detrimental effect on wildlife habitats and water

[3]First authorized by the Congress in 1948, the Central and Southern Florida Project is an extensive system of over 1,700 miles of canals and levees and 16 major pump stations that prevents flooding and saltwater intrusion into the state's aquifer while providing drainage and water to the residents of South Florida.

quality. The loss of habitats has caused sharp declines in native plant and animal populations, placing many native species at risk.

In 1993, the administration made the restoration of the Everglades and the South Florida ecosystem one of its highest environmental priorities. Through an interagency agreement, federal agencies established the South Florida Ecosystem Restoration Task Force to facilitate the development of consistent policies, strategies, priorities, and plans for addressing concerns about the ecosystem. The Water Resources Development Act of 1996 formalized the Task Force; expanded its membership to include state, local, and tribal representatives; and designated the Secretary of the Interior as the group's chair.

To accomplish the restoration initiative, the Task Force established the following three goals:

- Getting the water right, which means restoring more natural hydrologic functions of the ecosystem while providing adequate water supplies and flood control. The goal is to deliver the right amount of water, of the right quality, to the right places at the right times.
- Restoring and enhancing the natural system, which means restoring lost and altered habitats and changing current land uses, as well as halting the spread of invasive species and recovering threatened and endangered species.
- Transforming the built environment, which means rebuilding and revitalizing urban cores to curtail outward sprawl.

The Task Force Is Developing a Strategic Plan and a Conflict-Resolution Process

The Task Force is developing a strategic plan for the restoration initiative as we recommended in our April 1999 report. According to the progress report recently submitted by the Department of the Interior to this Committee and the Senate Appropriations Committee, the strategic plan will (1) outline how the restoration will occur, over 5-, 10-, 25-, and 50-year time frames; (2) identify the financial resources needed to achieve full restoration; (3) identify the agencies and entities responsible and accountable for accomplishing actions; and (4) link the restoration projects to outcome-oriented goals. The Task Force also plans to list the federal and nonfederal projects that are necessary for restoration and to develop outcome-oriented objectives and performance indicators for two of the initiative's three goals. According to the Task Force, the third goal—transforming the built environment—is being rewritten to make the goal practical and achievable. Also, according to the Task Force, benchmarks and measurable objectives will

be developed for the revised third goal. Because the progress report does not contain details of the plan and the plan is not yet complete, we cannot determine whether the plan will adequately address our recommendation or whether it will be sufficient to successfully guide and manage the initiative.

The Department has also developed recommendations that it will propose to the Task Force this month for resolving the conflicts that will inevitably occur among the participating entities as the initiative progresses.[4] The proposed recommendations call for

- the agencies to examine all existing contractual agreements to ensure that all possible and appropriate dispute resolution methods are utilized and time frames are incorporated to resolve matters in dispute and
- the Task Force to adopt procedures that will further facilitate the resolution of interagency conflicts.

The Department also reports that it is seeking advice on conflict resolution from organizations with expertise in this area and plans to make recommendations to the Task Force on how to use outside expertise in the resolution of intergovernmental conflicts.[5]

We are encouraged that the Department recognizes that resolving conflicts among agencies involved in the restoration initiative is critical to its success. Although the Department is recommending that the Task Force adopt procedures for resolving the most difficult conflicts, the proposed recommendations did not provide details on what are regarded as "the most difficult conflicts" or what those procedures will entail. Until the detailed conflict resolution procedures are developed and adopted, we cannot determine whether the procedures would establish a process, when a conflict would be elevated to the Task Force, whether there would be restrictions on the types of conflicts elevated, or whether the Task Force would use outside expertise in resolving conflicts.

[4]As required by the Conference Report accompanying the Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2000, the recommendations were previously submitted to the House and Senate Appropriations Subcommittees on Interior and Related Agencies on February 28, 2000.

[5]The Department has sought advice on how to resolve conflicts among member agencies from The Morris K. Udall Foundation, U.S. Institute for Environmental Conflict Resolution. The Foundation is located in Tucson, Arizona and assists parties in resolving environmental conflicts that involve federal agencies and interests. The Department has also consulted with its own Office of Hearings and Appeals and the similar office at the U.S. Environmental Protection Agency.

The Task Force Has Not Developed a Land Acquisition Plan That Identifies All Lands Needed for Restoration

The South Florida Ecosystem Restoration Task Force cannot acquire lands on its own. Instead, it must accomplish its objectives through the participating federal and state agencies. This puts a premium on having a systematic acquisition plan and effective communication and coordination among the members of the Task Force. Furthermore, the South Florida ecosystem covers a vast area (about 11.5 million acres) and much of the undeveloped land is under development pressure, increasing the importance of prioritizing the acquisitions that are possible. However, the Task Force has not yet developed a land acquisition plan that identifies all of the lands needed to accomplish the goals of the restoration initiative and would allow it to effectively communicate the initiative's needs and priorities to the agencies responsible for acquiring lands.

Although it has not yet done so, the Task Force should be able to develop a framework for a land acquisition plan by using land acquisition information and assessments already developed by the federal and state agencies participating in the initiative. These agencies have already identified some lands in the ecosystem that they plan to acquire to accomplish their specific missions. Although the Task Force has not yet assessed those lands, it could do so to determine how and to what extent they could be used to further the goals of the restoration. In addition, the federal and state agencies have also completed studies and assessments that identify areas of potential acquisition. The Task Force could use these studies and assessments to independently identify and prioritize additional lands needed to achieve the restoration's goals. The efforts of the federal and state agencies to identify lands for acquisition could serve as a starting point for developing a plan, and the Task Force should build on these efforts.

Mr. Chairman, because land acquisition is critical to accomplishing each of the initiative's three goals, today's report recommends that the Secretary, as Chairperson of the Task Force, in conjunction with the other members of the Task Force, develop a land acquisition plan. This plan would supplement the strategic plan that we recommended in our 1999 report. It would also enable the Task Force to help steer future acquisitions and provide the Congress and the state with reasonable estimates of both the acreage needed and the costs of acquiring these lands.

As is our policy, we asked the Department and the state of Florida to comment on our draft report. The Department also saw the benefit of and concurred with our recommendation that the Task Force develop an overall land acquisition plan and stated that it will recommend that the member agencies undertake an effort to integrate existing land acquisition programs into a single overall plan.

The state disagreed with our recommendation that the Task Force create a land acquisition plan because it believes our report implies that the Task Force should plan to acquire and manage all the lands needed for the restoration initiative. We did not envision that the Task Force would be the entity to acquire and manage all lands for the initiative or that the process of acquiring lands would be federally driven. We believe—and clearly state in our report—that the federal and state agencies participating in the initiative are responsible for the acquisition and management of lands and that these agencies have developed a number of plans and studies that are a starting point for the Task Force to use in developing a land acquisition plan.

Interior Did Not Consistently Apply Its Cost-Sharing Policy to Maximize Its Land Acquisitions

The 1996 Farm Bill provided $200 million to the Secretary of the Interior for restoration activities in the South Florida ecosystem. Although not required to do so by the Farm Bill, Interior developed a cost-sharing policy as a means of leveraging the funds. Interior entered into a framework agreement with the U.S. Department of the Army (Corps), the Florida Department of Environmental Protection, and the South Florida Water Management District that required the state of Florida to match the federal funds dollar for dollar. Under this policy, the Secretary of the Interior retained the authority to waive the matching requirement. According to Interior officials responsible for overseeing these funds, the land acquisition needs of the ecosystem exceeded the $200 million provided by the Farm Bill. The matching requirement provided for doubling the funding available to acquire lands and thus maximizing the acreage that could be acquired.

With the Farm Bill funds, Interior approved four grants to buy land in four areas in the South Florida ecosystem. These areas are referred to as the East Coast Buffer, the Carroll property,

the Southern Golden Gate Estates, and the Talisman lands.[6] Interior implemented its cost-sharing policy, requiring the state to provide a dollar-for-dollar match for one of the four grants (the Carroll property). For the remaining three grants, Interior either waived the cost-sharing requirement (Talisman) or accepted as a match lands that the state had already purchased (Southern Golden Gate Estates) or that the state had begun purchasing (East Coast Buffer). If Interior had required the state to match the Farm Bill funds dollar for dollar for each of the properties acquired with these funds, we calculate that an additional $77 million could have been available to acquire land in the ecosystem. According to Interior officials, the agency did not always apply its cost-sharing policy because it wanted to give the state credit for lands that it had already acquired or was acquiring.

Both the Department of the Interior and the state disagreed with our characterization of the cost-sharing requirement associated with the Farm Bill grants. They expressed the view that we are too narrow in our discussion of the Farm Bill grants and matching funds and that we do not acknowledge the significance of the land acquired with Farm Bill and state funds. We recognize that the lands acquired with Farm Bill funds are important to the restoration and do not take issue with their acquisition. The focus of our review was to determine whether the Department accomplished its intended purpose of maximizing the amount of land acquired with Farm Bill funds—which the Department did not achieve. We believe that these grants are illustrations of lost opportunities to acquire as much land as possible. In our view, lands acquired before the grants were approved do not maximize the acreage acquired with Farm Bill funds and, therefore, should not be counted as a part of the state's match for the Farm Bill grants.

This concludes our statement. We will be happy to respond to any questions from you or other Members of the Subcommittee.

[6]More specifically, Interior approved three grants and one cooperative agreement. For this discussion, we refer to all of these as grants. In addition to these grants, Interior entered into an interagency agreement with the Corps and the U.S. Department of Agriculture (USDA) for the construction of a quarantine research facility for melaleuca (a rapidly spreading exotic tree from Australia). Interior provided a total of $6.2 million to the Corps to construct the facility. USDA will operate and maintain the facility, which will facilitate ongoing research into the eradication of melaleuca through the use of biologic control agents. If left unchecked, melaleuca displaces native plant and animal communities and threatens the stability of the Florida Everglades ecosystem. Under the terms of the original framework agreement, the Corps is not required to match the funds.

Contact and Acknowledgement

For further information on this testimony, please contact Jim Wells at (202) 512-3841. Individuals making key contributions to this testimony included Alfredo Gómez, Susan Iott, Chet Janik, and Sherry McDonald.

(141424)

Orders by Internet

For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to

info@www.gao.gov

or visit GAO's World Wide Web home page at

http://www.gao.gov

To Report Fraud, Waste, and Abuse in Federal Programs

Web site: http://www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: 1-800-424-5454