

Trust Fund Collection Working Group Charter

SECTION 1. PURPOSE

The “Wildlife” and “Sport Fish Restoration and Boating” Programs are funded through the collection of excise taxes and import duties paid by the manufacturers of sport fishing, archery and boating equipment, firearms and ammunition, and from the tax collected on the sale of fuel used in recreational powerboats. The Association of Fish and Wildlife Agencies, representing the States using the funds collected for on-the-ground restoration projects, asked the Federal Agencies responsible for collecting and managing excise taxes and import duties to search for ways to ensure accurate and consistent collection of taxes and duties and to exercise fair application of the tax code. Hence, the Trust Fund Collection Working Group (TFCWG) was formed to encourage cooperation and enhance communication among parties with interests and roles in the payment, prediction, collection, management, administration and expenditures of excise taxes and import duties that finance the Sport Fish Restoration and Boating Trust Fund (70X8147) and the Federal Aid to Wildlife Restoration Fund of 1975 (**5029). These two funds are the deposit accounts for the Sport Fish Restoration and Boating Account (70X8147) and the Wildlife Conservation and Restoration Account (14X5029), respectively. The management of these funds and accounts are dictated by law (26 U.S.C. 9504).

This is a unique cycle of tax collection and disbursement that unite the manufacturers of sport fishing, hunting and boating equipment and the anglers, boaters, hunters and recreational shooters through their purchase of taxed items associated with the pursuit of their sports. These taxes and duties collected are the funding sources for the Wildlife Restoration and Sport Fish Restoration and Boating Programs that operate under the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. et seq) and the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777 et seq) which, in turn, provide critical funds to State/Territorial Fish and Wildlife and Boating Agencies to manage the Nation’s fish and wildlife and boating resources

that will be enjoyed by millions of Americans who annually fish, hunt, boat, or participate in wildlife related recreation.

SECTION 2. GOALS

The partnership's foundation is to ensure there is accurate and consistent collection of taxes and import duties and equitable and fair application of the tax code to support State fish and wildlife restoration and boating programs. Based on this common platform, members of the TFCWG and concerned partners identified the following mutually beneficial goals:

- Vitalize, formalize and expand collection efforts and encourage the recognition of commonalities and shared goals and to foster mutual support among all participants
- Identify common concerns and ways to resolve outstanding issues (task oriented outcomes), secure communication links, create efficiencies and synergistic actions among participants, and identify information and education needs and fill information voids
- Support the Federal tax collection agencies in their efforts to improve consistency in application of tax codes by developing: (a) tools to communicate the requirements of the tax code to manufacturers; (b) a clear message from tax collectors on how to comply with the tax code and on how the tax code will be applied; (c) answers to questions regarding the most commonly misunderstood provisions (e.g, Who is the manufacturer? Who is the importer? What is the constructive sales price? What constitutes related party sales?); and, (d) identifying how greater compliance with the tax code by industry benefits fish and wildlife restoration and boating programs
- Understand processes and roles of industry/manufacturers and Federal and State participants to protect the integrity of this initiative by: (a) reaching a common understanding of the history of supply chains and their affect on taxes collected; (b) improving process efficiencies (e.g., filing payments electronically and improving

information collected on tax forms to help identify the taxpayer); and, (c) reaching a common understanding of how dollars flow from collection through its expenditure by State Agencies on fish and wildlife restoration and boating projects

- Agree on how to measure progress and success and celebrate successes and educate on the value of this initiative!

SECTION 3. STRATEGIES

The strategies of the Trust Fund Collection Working Group (TFCWG) to achieve identified goals are:

- Formalize communication among interested parties
- Identify, document and prioritize key issues of common concern or interest
- Establish cooperative efforts to resolve identified key issues
- Expand membership or invite ex officio participation in the TFCWG to resolve identified key issues

In order for processes to flow efficiently, coordination and communication will be facilitated through the work conducted by Committees established by and their members appointed by the principals on the TFCWG.

SECTION 4. ROLES/RESPONSIBILITIES OF THE PARTIES

This unique tax collection and disbursement cycle affects the Federal Agencies that predict, collect, manage and administer these funds, the industry representatives and manufacturers that pay the taxes and import duties, and the State representatives that administer and expend these funds on wildlife and sport fish restoration projects. The initial membership of the TFCWG is listed below in the spirit of inclusion so that comprehensive and holistic approaches can be taken on identified key issues that need to be resolved. Membership on the TFCWG or on Committees can be expanded as necessary to address and resolve issues.

Federal Agencies

Internal Revenue Service (IRS) – Department of the Treasury

Alfredo Valdespino – Director, Specialty Exam Policy, SB/SE

Kellie McCann – Excise Tax Policy Program Manager, SB/SE

Tim Boes – Excise Tax Policy Analyst, Sport Fishing and Archery, SB/SE (616 -365-4620)

General Responsibilities: IRS is responsible for determining, assessing and collecting internal revenue in the United States. As part of its mission, IRS collects excise taxes on sport fishing equipment, electric outboard motors, and bows and arrows and reports monthly on the status of Federal excise taxes reported to or collected by the IRS, and CBP.

Bureau of Customs and Border Protection (CBP) – Department of Homeland Security

Jeffery Colin Nii – Director, Interagency Collaboration Division – Office of Trade (202-863-6011)

William R. Scopa – Chief, Trade Policy and Programs – Office of Trade (202-863-6554)

Teiko Griffin – Field Operations Specialist – Office of Field Operations (202/344-2698)

Cary Wilson, Section Chief, Revenue Division, Office of Finance 317-614-4917

Dennis Lomax – Customs National Finance Center (317/298-1200)

General Responsibilities: CBP officer and Agriculture Specialist positions serve at the Nation's ports of entry and provide the American public, travelers and the international trade community with "one face at the border." CBP collects import duties from importers of (yachts and pleasure) boats, sport fishing equipment and arms and ammunition.

U.S. Fish and Wildlife Service (FWS) – Department of the Interior

Paul Rauch – Assistant Director – Wildlife and Sport Fish Restoration Programs (202/208-1050)

Robert Curry – Deputy Assistant Director – Wildlife and Sport Fish Restoration Programs

Tom Busiahn – Chief, Division of Policy and Programs (703/358-2231)

Lori Bennett – Conservation and Program Assistance Coordinator (703/358-2033)

General Responsibilities: The Sport Fish Restoration and Boating Account (20X8147) and the Wildlife Conservation and Restoration Account (14X5029) are accounts within the FWS,

which receive monies from Trust Fund Receipt and Special Fund Receipt Accounts managed by the Department of the Treasury. Receipts deposited by Treasury in the WCRA are destined for investment by FWS and disbursement through grants administered by the FWS. Funds transferred to the SFRBA are destined for disbursement through grants administered by the FWS, Corps of Engineers, and Coast Guard. FWS relies on timely information regarding the status of Treasury-held receipts to manage its Wildlife and Sport Fish Restoration Programs and to inform the President, Congress, and States and Territories on the amount of available funding each fiscal year for these grant programs.

Alcohol and Tobacco Tax and Trade Bureau (TTB) – Department of the Treasury

Amy Noll – Chief, Tax Section B, National Revenue Center (513/684-2139)

Jesse Longbrake – Regulations Specialist, Regulations and Rulings Division (202/453-2066)

General Responsibilities: TTB is responsible for the administration and collection of Federal Firearms and Ammunition Excise Tax (FAET) from firearms and ammunition manufacturers, producers and importers. The tax is based on the sales price at the rate of 10% on handguns (pistols and revolvers) and 11% on other firearms (rifles, shotguns, machine guns etc.) and shells and cartridges (ammunition). This tax is due at the time of sale or use by the manufacturer, producer or importer. These receipts are deposited directly into Treasury's Special Fund Receipt Account (14X5029.3) for investment and disbursement from the Wildlife Conservation and Restoration Account (14X5029) to grantees participating in Wildlife Restoration Grants administered by the FWS. TTB is responsible for collecting and reporting the status and disposition of these manufacturers excise tax receipts to the FWS on a monthly basis.

Coast Guard (CG) – Homeland Security

Jeff Hoedt – Boating Safety Division (202/372-1051)

Barry Nobles – Boating Safety Division (202/372-1050)

General Responsibilities: The Coast Guard receives funds from the SFRBA. These funds are destined for disbursement through grants administered by the Coast Guard. USCG relies on timely information regarding the status of Treasury-held receipts to manage its Boating Safety Program and to inform the President, Congress, and States and Territories on the amount of

available funding each fiscal year for this grant program. The Coast Guard is further responsible to collect the annual state data on registered motorboats and submit that data to Treasury, who then uses this to determine the boating fuel tax revenues that are deposited in the SFRBTF each year.

Office of Tax Analysis (OTA) – Department of the Treasury

James B. Mackie III – Director, Office of Tax Analysis (202/622-0269)

General Responsibilities: The Office of Revenue Estimating within the OTA estimates all Federal receipts, including earmarked revenue allocated to various Treasury Trust and Special Funds. OTA assists the IRS in developing studies of tax compliance, revising tax forms, and formulating and reviewing tax regulations. Cash management decisions made by entities within the Department of the Treasury are also guided by input from the OTA. OTA is responsible for forecasting the amount of future receipts anticipated for collection annually over the next ten years and for providing estimates or forecasts of such receipts at least on an annual basis.

Bureau of the Fiscal Service (BFS) – Department of the Treasury

Sheryl Morrow – Commissioner

Kimberly McCoy – Deputy Commissioner

Matt Miller – Assistant Commission

Mike Linder – Deputy Assistant Commissioner

Susan Chapman – Director, Funds Management Branch (304/480-5110)

General Responsibilities: As Treasury's designated manager of the SFRBTF, BFS acts on behalf of the Secretary of the Treasury for funding, accounting, and reporting activities within the SFRBTF and for investment and redemption decisions. BFS records bimonthly receipts of taxes, invests funds not needed for current withdrawals of the implementing grant program agencies, develops the investment plan, and invests the funds consistent with the approved investment plan. BFS prepares monthly financial statements for the consolidated SFRBTF, including statements for implementing agency accounts (SFRA and Boat Safety Account). The US Fish and Wildlife Service (in cooperation with the US Coast Guard and the Corps of Engineers) provides projected cash requirements for disbursements of trust funds and BFS

advises on what investments are available to the trust fund suitable to the implementing agencies' requirements. The FWS provides BFS with guidelines for investing current receipts as well as re-investing interest and maturities.

Industry Representatives

Archery Trade Association (ATA)

Jay McAninch, CEO/President (703/242-8310)

Dan Forster, Director of Government Relations (770) 601-5038

The Archery Trade Association is the archery and bowhunting industry trade association which includes over 500 manufacturers, over 1000 of the largest retailers and the distribution and sales companies who insure archery products get to the millions of archers and bowhunters in the United States. The ATA and two foundations increase fund-raising and better focus the industry's clout in promoting, protecting and growing all facets of archery and bowhunting. The ArrowSport and BPA foundations are charitable, tax-free organizations devoted to information, training, education and research. ArrowSport concentrates on growing the sport of archery, while the BPA protects bowhunting by connecting to other organizations in the hunting, conservation and recreational communities.

Sporting Arms and Ammunition Manufacturers' Institute (SAAMI)

The Sporting Arms and Ammunition Manufacturers' Institute is an association of the nation's manufacturers of sporting firearms, ammunition, and components. Since being founded in 1926, SAAMI has been involved in the publication of industry standards, coordination of technical data, and the promotion of safe and responsible firearms use. SAAMI currently publishes more than 700 voluntary standards related to firearm and ammunition quality and safety.

National Shooting Sports Foundation (NSSF)

Larry Keane, Senior Vice President/ General Counsel

NSSF's purpose is to provide leadership in addressing industry challenges and delivering programs and services to meet the identified needs of our members by advancing participation

in and understanding of the hunting and shooting sports. Formed in 1961, The National Shooting Sports Foundation (NSSF) is the trade association for the firearms and recreational shooting sports industry.

Wildlife Management Institute (WMI)

Jonathan Gassett, Industry/Agency Liaison (502-330-9025)

WMI was established in 1911 by sportsmen/businessmen gravely concerned about the dramatic declines of many wildlife populations. WMI works mostly on request with federal and provincial agencies, Congress, college and university researchers and educators, other private conservation organizations, and professional associations. It advises, testifies and, in a variety of other ways, provides educational services on timely wildlife-related issues.

American Sportfishing Association (ASA)

Scott Gudes, Vice President, Government Affairs (703/519-9691, ext 222)

The American Sportfishing Association is the sportfishing industry's trade association. ASA promotes the enduring social, economic, and conservation values of sportfishing in America by:

- Uniting more than 800 members of the sportfishing and boating industries with state and federal natural resource agencies, conservation organizations, angler advocacy groups, and outdoor journalists.
- Advocating for the interests of our members and America's 60 million anglers.
- Representing the sportfishing industry's contributions toward a \$125 billion-a-year impact on the nation's economy.
- Offering support to help member companies succeed.
- Working shoulder-to-shoulder with conservation and recreation groups in the nation's capital and in our states and communities.

American Fly Fishing Trade Association (AFFTA)

Michael White, Board Chairman

Jennifer Lavigne, Vice Chairman of the Board

The American Fly Fishing Trade Association is the sole trade organization for the fly fishing industry. AFFTA's mission is to promote the sustained growth of the fly fishing industry. These efforts focus on three primary strategic goals: (1) Further developing the market for fly fishing products via consumer promotion of the sport.(2).Represent industry with government agencies to further the industry's agenda to protect the natural aquatic resources.(3).Promote healthy fly fishing environments and sportfisheries.

National Marine Manufacturer's Association

The National Marine Manufacturers Association (NMMA) is a national trade association representing boat, marine engine and accessory manufacturers. NMMA is a unifying force and powerful voice for the recreational boating industry, working to strengthen and grow boating.

T. Nicole Vasilaros, Esq., Vice President, Federal and Legal Affairs ((202/737-9763)

State Representatives

Association of Fish and Wildlife Agencies

Ron Regan – Executive Director, (202/838-3453)

Carol Bambery – Association Counsel, (202/838-3454)

The Association of Fish and Wildlife Agencies was founded in 1902 as a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association has been a key organization in promoting sound resource management and strengthening federal, state, and private cooperation in protecting and managing fish and wildlife and their habitats in the public interest.

Fish and Wildlife Trust Funds Committee (AFWA)

Jack Buckley, Chair (617/851-3576)

The Fish and Wildlife Trust Funds Committee plays a primary role in guiding actions of the Association that maintain and enhance funding for fish and wildlife agencies derived from the Sport Fish Restoration and Wildlife Restoration programs and related Federal Assistance

programs. The Committee will work to promote efficient and effective administration of federal assistance funds, insure accountability, demonstrate success stories and help facilitate the timely and accurate accumulation and flow of funds. Representatives from the Trust Fund Collection Working Group report progress to the Fish and Wildlife Trust Funds Committee of the AFWA twice annually so that States may understand developments and progress made by the Working Group.

National Association of State Boating Law Administrators

Charlie Sledd, Director of Government Affairs

The National Association of State Boating Law Administrators is a national nonprofit organization that works to develop public policy for recreational boating safety. NASBLA represents the recreational boating authorities of all 50 states and the U.S. territories. The organization is a key partner to reducing risks to recreational boaters through grants funded by the SFRBA.

SECTION 5. OPERATIONAL PROCESS

The first Co-Chairs of the Trust Fund Collection Working Group will be the IRS (Director, Specialty Programs, SB/SE) and the FWS (Assistant Director – Wildlife and Sport Fish Restoration Programs). It is envisioned that the first focus of the TFCWG will be the issue of compliance. As the focus of the TFCWG changes, the Chairs may change.

The TFCWG may meet with a frequency elected by majority vote of the membership; however, frequency should be no less than once per calendar year. The requisite annual meeting should be held in February to allow the Co-Chairs of the TFCWG to measure and report progress at the North American Wildlife and Resources Conference (in March) to the Association of Fish and Wildlife Agencies, where TFCWG progress reports to the Trust Fund Committee of the AFWA.

Committee membership is determined by the principals on the TFCWG and Committee Chairs may be determined by the Committee members. There will be no standing committees

established, but rather committees will be “issue-driven” and formed only as necessary to accomplish specific work goals or tasks. Committee Chairs will prepare periodic status reports for the TFCWG. These status reports will provide updated information on the progress achieved on resolving assignments and indicate whether decisions or corrective actions are recommended for action by the principal parties on the TFCWG.

SECTION 6. PERIOD OF PERFORMANCE

The TFCWG agrees that every fourth year, this Charter will be reviewed by the principal members of the TFCWG. Review will ensure that the need, purpose and function of the TFCWG remain updated, appropriate and timely to meet the management needs and responsibilities of the principal members of the TFCWG. Also, products and delivery schedules of Committees will be reviewed to accommodate new developments and reflect the changing needs of the principal parties.

SECTION 7. APPROVAL

Fish and Wildlife Trust Funds Committee Chair

Date