



The voice of fish and wildlife agencies

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FISH AND WILDLIFE TRUST FUNDS COMMITTEE

Chair: Jack Buckley (MA)

Vice-Chair: Kurt Thiede (WI)

Friday, March 10, 2017

8 am to 12 pm

82nd North American Wildlife & Natural Resources Conference

Meeting Room 6: / Davenport Grant Hotel

Spokane, Washington

Committee Charge

Meeting convened during 8:00AM – 11:00 AM EST chaired by Jack Buckley. 25 participants in attendance, including 9 current Committee members.

Scheduled Discussion Items

- Call to Order, Introductions, Announcements, and Agenda Review – **Jack Buckley**

The meeting was called to order at 8:00AM. The Committee Chair, Jack Buckley welcomed all the attendees and asked the participants to introduce themselves.

- Approval of the September 2016 Meeting Minutes

The meeting minutes from September 2016 in Philadelphia were approved.

- Refresher on Fish and Wildlife Trust Fund – **Jack Buckley**

Chairman Buckley deferred to the extensive experience of the members of the committee.

- 2017 Fish and Wildlife Business Summit Industry/Agency Progress - **Jon Gassett**

WMI has been working under a state grant for a number of years to provide industry with a liaison, and facilitate relationships between states fish & wildlife agencies, excise tax paying industries and the US Fish and Wildlife Service (USFWS).

WMI coordinates annual fish and wildlife business summit, an annual gathering of industry leadership, state agency fish and wildlife leadership and the USFWS..

A component of the grant works with specifics of excise tax and if there are issues that need to be addressed.

The Business Summit is coming up on April 3-4, 2017 in Kennesaw Georgia. This year it will focus on:

- excise tax,
- How CAHSS can help states step down the national level plans for R3 to the state level,
- continue to work with states to build state levels industry relations, to have state level summits so states can bring together local partners and build relationships

WMI will be talking at the summit about three things:

- Recruitment, retention and reactivation
- Raising the public awareness of our collaborative conservation efforts.
- Determining how to brand the program to raise awareness and use the PR/DJ money to tell the story.

- **WSFR Update – Tom Busiahn**

- Assistant Director's Priorities for 2017
 - Substantially reduce the backlog of open state audit findings
 - Develop a strategic communications plan for the WSFR program that identifies key audiences, desired results, and strategic approaches
 - Collaborate with States to complete an evaluation of administrative funding needs for the WSFR program
 - Finalize agreement with States on WSFR program performance and TRACS, and initiate a TRACS enhancement that is responsive to this agreement
- Trust Funds Collection Work Group
 - Met February 21, 2017
 - IRS attended 2017 Archery Trade Show with great feedback
 - Tax and Trade Bureau may attend 2018 SHOT Show
 - USCG expect 2016 recreational motor boat registrations to level off compared to 2015
 - Updating TFCWG Charter
- WILDLIFE RESTORATION (PR)
 - States received 780 Million in FY 2017 - an increase of \$84.9 M from 2016
 - States will add matching funds of at least \$269.5 Million.
 - A total \$1.049 B wildlife program
- SPORT FISH RESTORATION (DJ)
 - States received \$349.4 M in FY 2017 – a decrease of \$11.6 M from FY 2015
 - States will add matching funds of at least \$115.5M.
 - A total \$ 465 M Sport Fish Program
 - Total WSFR Program Funding of \$1.51 Billion
- Wildlife Restoration Receipts – 2017
 - Firearms revenues through Q1 up 36%
 - Archery Revenues through Q1 up 19%
- Sport Fish Restoration Receipts – 2017
 - Domestic Fishing Tackle Excise Tax Revenue through December up 4.53%
 - Total Revenue 1st Quarter up 2.6%
 - Small boat registrations were down slightly, but registrations for boats over 16' were increasing to stable.

- State Wildlife Action Plans
 - 9 under review by Regional Review Teams/Headquarters:
 - American Samoa, District of Columbia, Illinois, Louisiana, Maine, Maryland, New Mexico, Vermont
 - 3 not yet submitted:*
 - Guam, New Jersey, US Virgin Islands

* A State is not eligible for new State Wildlife Grant funds until its Plan is submitted for approval.

- TRACS Review
 - AFWA & FWS affirmed cooperation & coordination regarding TRACS
 - Identified JTF as primary coordination body
 - Called for a “common vision” by FWS and States regarding TRACS
 - Identified WMI role in facilitation
 - Milestones:
 - “Meeting of the Parties”, Sept
 - JTF fall meeting, Nov-Dec
 - TRACS Work Group, Jan-Feb
 - Next step: Policy-level MOU regarding TRACS
- Enhancement Update
 - TRACS Work Group (State & Federal) met in January to refine system requirements
 - Work Group focused on details of accomplishment tracking & standard national reporting formats
 - System development underway:
 - user management
 - license certification
 - Apportionment
 - end-user notification
 - Infrastructure updates being implemented in TRACS’ Amazon cloud environment
 - May 2017: Requirements phase complete
 - Summer 2018: Release enhanced TRACS (12-15 months after full requirements)
 - Training and roll-out strategy will develop in parallel with the system
- Public Viewer
 - Redesigned Public Viewer will reflect structure of WSFR 5-year Report:
 - Species
 - Habitat
 - Recreation
 - Economics
 - Public Viewer will display high-level summary information about WSFR programs, and low-level roll-up information from TRACS.
- TRACS Wireframes
 - Light weight “mock ups” of how the system might look and function.
 - No actual coding takes place.
 - Purpose is to generate and reach consensus on requirements.
 - Wireframes can be changed at little expense.
 - Wireframes will be used by the TRACS Work Group to review requirements.

- Policy Updates 50 CFR 80 WR / SFR Rule
 - WSFR has identified +/- 100 issues that merit updates in the 2011 version of the regulation
 - To spread the workload, a State-Federal team proposed a 4-phase schedule to complete the update by late 2018
 - Proposed schedule has received support from JTF, FAC Work Group, & WSFR Chiefs
- License certification provisions of 50 CFR 80
 - WSFR is ready to publish a proposed simplified approach to counting license holders, pending OK from AFWA.
 - The draft proposal must be published in the Federal Register before going final. This is not part of the 4-phase update of 50 CFR 80.
 - The proposal was developed by the JTF, based on suggestions from WSFR.
 - Proposed method requires a minimum of \$2 of revenue to the State agency for each year the license is valid.
 - Effective date will be determined based on State input.
 - Licenses sold before the effective date will be “grandfathered” under current rule.
- Real property policy (aka “Lands Chapters”)
 - In October, WSFR provided a 60-day review period of our responses to 520 comments received on draft FWS Manual chapter on real property acquisition.
 - This is the 2nd of 3 new draft chapters. WSFR responses to 54 stakeholder comments on 1st chapter were previously distributed for review.
 - WSFR responses to 165 comments on 3rd chapter will be distributed for stakeholder review in March 2017.
 - Starting in July 2017, WSFR will meet with up to 3 State agencies at a time for a “fatal flaw” review.
 - When FWS Manual chapters are final, WSFR will initiate rulemaking in Code of Federal Regulations.
- Clean Vessel Act regulation at 50 CFR 85
 - Published “Advance Notice of Potential Rulemaking” in fall 2015 to request input and expert information on how to improve regulation.
 - Held many discussions with stakeholders through SOBA and SFBPC
 - Expect a draft rule to be published in the Federal Register early in 2017.

Questions:

Back in December we talked about the TRACS access (public view) for industry but we don’t see a timeline. Industry is looking for something that has never been available before.

The development of the public viewer will be the most important part of TRACS. Industry can help the developers on deciding what kind of information to make available.

Industry/Agency Summit would be a good place to collect information from the industry on the issue..

There are two related issues: 1) what are industry's needs & desires from TRACS, and 2) what should the TRACS public viewer display when the enhancement phase is complete. The public viewer is the primary place to address industry needs, though others may think differently.

The TRACS enhancement to date has focused on the internal workings of TRACS, addressing the "technical debt" and the database design. WSFR's plan for the public viewer is still conceptual, and we will need additional input from States and industry. We envision the public viewer to be built around the big-picture outcomes that will be in the 5-year report (which were recently reviewed by the States). It will also have powerful search & reporting functions for drilling down into the projects.

On Real Property acquisition, there have been concerns about services potential capabilities gaps in terms of real estate appraisers and technical capabilities. We understand that WSFR staff have learned by immersion in the process. From our states perspective we have the expertise, we feel very tied in our process but the question is, once it gets in the service hands with their level of expertise, with all hiring freeze and budget cuts how do you see it?

FWS sponsors land support through the WSFR training branch. They have training on treatment of lands. They will with DOI, the Office of Evaluation Services to set up trainings for appraisers. Some states find it very difficult to find qualified appraisers so it will be training opportunities for these states.

It is a question of expectations in any land acquisition for the protection of the federal \$ for an accurate appraisal. FWS staff is not going to be appraisers/appraisal reviewers. There are trained appraisers out there and depending on the states, some might be already in the state staff, others are in the consulting community. There is a high demand for them so it is hard to get a reasonable time frame. WSFR is training the staff to be administrator where they will be able to look at appraisals, grant applications, and be able to identify the red flags.

Just thanking Fish and Wildlife Service that was able to find funding to support travel for the IRS collection agencies to attend the SHOT show. ATA was able to arrange a short seminar for people who were interested on excise tax. We were able to talk to the new manufacturers and made sure they were tax reliant, and we also found several people, who had been in business for a while and for some reasons thought not paying taxes, and we put those in right direction, and we were able to do that in informal settings.

The ASA has a book "ASA Excise Tax Guide" developed by a retired IRS employee and it is a very informative source. ASA is taking that guideline and now is developing a very similar guide on archery side. ASA is trying to get IRS and Industry to use the same rules/ideas.

What is the strategy of communicating with the states and industry and how to tell the story?

It is all about how to use the resources and the audiences to identify the stories that relate.

WSFR is working on a national strategy that includes a strong regional component.

- Discuss and identify any outstanding national policy issues related to WSFR program for JTF Members

Several States in the West are struggling with the inability to use Sportfish money for state fish hatcheries. It's coming down to ESA consultation to the point that states have to identify every specific potential pin on the map where they might have a conflict with listed species and it's troublesome to the constituents that states are not able to use this major source of funds to support fish stocking program. We are convinced that we are not going to put fish in a spot that we are going to have impact, and the burden approve has to be 100% and this got

into trust issues, trust the states to do the right thing on the species. We spent nearly \$4,500,000 to have a biological assessment. We have a big investment on fish stocking and environmental documentation, state and federal money to get to this point. We got to figure out a better way to get this across the border line. F&W staff are trying their hardest too. We seem to be stuck in some technical process issues.

It looks like it is a combination of WSFR and ESA. AFWA is putting a lot of effort into ESA right now.

From the discussions we have had in the past is not only West issue but also it is an issue in East or Midwest as well. It depends on the interpretation of ESA as well. However, it would be beneficial at some point because there is many movement/efforts now to make some modifications at the ESA now. Kelly Hepler has some ideas and he will talk to Nick and/or Garry and see how ESA JTF and JTF FA can cooperate on the issue.

- **Modernizing Pittman-Robertson – Dan Forster**

Last year, the discussions which started couple of years ago on how can we tweak PR to benefit states ability to implement R3 efforts in their states and all the discussion culminated in the modernization of PR act. The act was introduced in the house and senate last year. It did not pass and that was not because of opposition but it just did not have time to get across the finish line. It will be resurrected again. This bill is designed to allow PR funds to be used from 3 accounts for recruitment, retention, and reactivation activities including shooting range construction, for hunters and recreational shooters. It defines the 3Rs, strikes the prohibition against use of PR for "public relations, allows states the discretion of spending up to 25% over a 5-year period (allowing capital investment for shooting ranges up front) from the Wildlife Restoration account, and it provides \$5 million to the multistate conservation grant program for competitive grants nationally competed for the 3Rs. House NR Committee last year said that a bill hearing would likely be necessary. Depending on the sequencing of this and HR 788, we will have to make sure that the 2 bills are complementary.

This year, we have been working to figure out the best strategy to move forward. I anticipate that exact language of last year is built. We are going to seek support from the chair and co-chair of the congressional sportsmen's caucus, both in the house and the senate side. In addition, in the next couple of weeks we would like to see it introduced again. It is a little bit different playing field this year.

HR 788, the Target Practice and Marksmanship Training Support Act from Cong Duncan Hunter (CA) has been around for several Congresses and ended up in the Bipartisan Sportsmen's Act in the last Congress, which passed both chambers but was never enacted. It has the strong support of and advocacy by the hunting conservation community, recreational shooters, and the state fish and wildlife agencies. It defines public shooting ranges (federal, state, local government land); provides that a state may use up to 10% of its P-R Wildlife Restoration Fund for development, construction and maintenance of public shooting ranges; and allows for a 90:10 federal-state match for these activities. It appears unlikely that the BSA will be taken up by this Congress but HR 788 will hopefully move free-standing out of the House Natural Resources Committee.

House Resolution No. 788 and Senate Resolution No. 593 overlaps with two of the elements in the modernization bill, one being it does allow you to use 10% of 4B funds in range constructions and it changes the match to 90% match (10% for states). If they both pass, it will require reconciliation and merging of the two bills.

The reason why we are going with the same language is because we had a bunch of co-sponsors last year and if we go with same language, we can get those sponsors immediately and move forward.

We are going to need states to continue generate support from their congressional delegation to be successful this year.

- **Legislative Update – Devin DeMario**

PR Modernization Act was included in the transition document that was sent to the President Trump transition team and the administration for our recommendations from AFWA, so it is a big priority for us and we will be working on it.

One thing that we wanted to bring to your attention is the recent bill (S.359) that was introduced by Senator Nelson, which seeks to decrease the Wallop-Breaux tax from 10% to 3%. Industry has asked our partners at ASA to work together and introduce a bill that will decrease that tax on bait buckets. This is something we would like to give you heads up. In the past, there were a lot of discussions around this issue including fishing guides.

- **License Certification – Ed Carter**

Going back, 4-5 years we started thinking of different ways to go with License Certification. All the feedback and ideas have been going through JTF meetings and Executive Committee meetings.

We started with the idea of “do no harm”. Whatever we were doing we didn’t want to come back and harm any funds that flow back to your agency. It is strictly on how the money (that is in your pot) is allocated that goes back to your state after licenses are certified.

Fast forward, the package has been put together and AFWA gave the green light to send to USFWS to draft the rule.

The original timeline was to have it out in midsummer to hopefully give it 1 year review and implement 1 year later (2018). Look forward to seeing those rules and take a moment to send comments. We have already received some comments; they go back to the original proposal when we introduced it at the AFWA meeting. We took the comments back to JTF FA and reviewed the package.

The language presented to AFWA includes a simplified standard that allows “for any license holder to be counted, the State fish and wildlife agency must establish that it receives a minimum of \$2 for each year the license is valid, for either privilege to hunt or to fish, and a minimum of \$4 for each year the license is valid for a combination license that gives privilege to both hunt and fish.”

For multiyear licenses, an agency would use the new standard to count license holders for licenses sold after the date that the State adopts the new standard. However, the draft language that AFWA approved would require that an agency use the current (August 1, 2011) regulation to count all licenses sold before adopting the new standard.

Not allow States to start certifying a multiyear license holder that was not eligible the year before the State agency adopts the new standard. (For example, a State sells a Sr. fishing license for \$10 in 2013 and the agency counts the license holder once in the 2014 license certification, but it is not eligible to be counted (under the 2011 rule) in 2015. The State agency adopts the new standard in 2017. The agency must not “reactivate” that license and count that license holder for the next 4 years.)

- The Council to Advance Hunting & Shooting Sports – **Cyrus Baird**

Council has continued to grow. The board officially approved the National Hunting and Shooting Action Plan on October and now the Council is at the stage of taking that plan to the states and step it down to the state level. In last 6 months we had meetings in conjunction with WMI with Texas, Florida, Iowa, Missouri, doing Utah next week, Kentucky next month and we are in early stages talking to Virginia and West Virginia on how they can take that National Plan and step it down to the state level. We currently receive a Multistate Grant for our R3 community website, which as of 2 days ago reached all 50 states. We are conducting monthly podcasts. We are starting the quarterly Directors’ Newsletter next week. It existed awhile back but it has not been active.

- The Federal Aid Coordinators Working Group & NCN – **Doyle Brown**

The Federal Aid Coordinators Working Group is one the subcommittees of the Trust Fund Committee. It has been in place for a very long time.

During last year, we have been covering some communication strategies that came up at the Meeting of Parties in Denver and FAC WG believes it needs to be part of it so it can facilitate the communication flow within regions.

TRACS has been one of the main concerns lately and JTF has asked one of WG members to be assigned to the TRACS WG and Mike Sawyers is representing FAC WG in the TRACS WG.

The National meeting that was scheduled for this fall will be delayed until Fall 2018 and we will be looking at the enhanced version of TRACS as one of the primary purposes. This meeting will bring together all Federal Aid Coordinators from all 50 states.

We also would like to ask the Trust Fund Committee to take into consideration the State Needs document, review it through the next period, distribute to directors, and hopefully come back in the fall for adaption.

Most of us participated on a survey and the results of this survey will help finalize the framework of the 5-year report.

As Ed talked about changes in the CFR and other rules that are taking place, there have been some loopholes; this all depends on what the administration does. There are concerns from states that it is a lot of work in a short period of time and they are developing an approach where it is not a burden, but we have to see what timing looks like.

Federal register or federal wiki (FWS maintains) is where you see those things happen, so it is an opportunity for state directors, federal coordinators or whoever makes comments on policy or problematic changes to keep an eye on.

The FACWG requests that the Trust Funds Committee consider and approve the following items as proposed in this report:

- Approve the delay of the National Federal Aid Coordinators meeting until 2018;
- Approve the September 2016 proposed FACWG bylaws;

And

- Accept the attached revision to the State Needs Document for the TFC's consideration.

Chair: What we need to do is:

1. To approve the Guide/Charter

The September 2016 proposed FACWG bylaws were approved by the committee.

2. On the second one about the State Needs, we need to send it to Directors for review to get a broader view.

The Committee gave the green light to State Needs document to reach the state directors for review

- **WSFR FA Joint Task Force Update- Kelly Hepler**

The past meeting was a combination of the work that WMI has done. We had from the very beginning a lot of discussion when we went through SWAG reporting.

The review from WMI came out and one of the most important topics was the communication. We were missing communication. We had the TRACS WG that was not listening to our requests and we got frustrated, in the other side TRACS WG got frustrated with JTF because they did not know what we needed. Now we have better ways to deal with communication gaps.

Some things we worked on during the meeting:

- States all agreed to work on the ways to tell the story. That was the original purpose of TRACS, to help with telling the story. How do we carefully tell the story but at the same time we are not accountable for the measurers. It needs to be some standardization to be able to achieve that and as much as we hate standardizations, we talked about standardized smart objectives, standardized strategies. The only bump in the road we had was effective measures to see if we were meeting strategies or not, and that was a burden on the states side. However, we had an active conversation.

We were also talking about the money we spend on programs, and how to report program level or grant level and we agreed on grant level. However, if states want to report more than that they have flexibility.

We want to make sure that no matter who the leadership is or who the state directors are, we have the common understanding how to communicate and do not duplicate past mistakes.

Communication protocol now is a more systematic way to getting information out to the states and it has worked really well last few times we have used it.

This meeting will be a joint meeting with the Chiefs. If Chiefs want to join the JTF meeting on Monday morning, they are welcome.

- **Blue Ribbon Panel update – Kelly Hepler**

The BRP is being branded. We got 4-5 ideas on what the logo looks like and what major messaging looks like. Therefore, this is moving down the road.

We took the bill that we were going to introduce last year (house bill), and went through and documented some of things that were important to us and we met with WSFR staff. We want provisions to have flexibility to work on private lands and so many states e.g. Texas has 98% private lands, 85%-90% in Nebraska, 80% in South Dakota are private lands and so on. We have to be able to work in private lands and have flexibility to maintain the species and that does not mean that we are necessarily going to get access to hunting and fishing. That is where sensitivity is, how we are going to use the matching funds.

We have some ideas on match:

- Excess license sales \$ and that created some angst among directors how you will be able to measure that
- Maybe we can suggest a 90/10 match as we talked earlier

We are still working on sponsors and ideas how we deal with formula.

- **New Business – Jack Buckley**

The Trust Fund Collection Working Group required the approval of the Charter.

The charter was approved.

- **Committee Workplan – Jack Buckley**

A work plan draft was sent to the committee for review and update. The committee members will send the comments back.

- **Action Items – Jack Buckley, Silvana Yaroschuk**

1. The September 2016 proposed FACWG bylaws were approved by the committee.

2. The Committee gave the green light to State Needs document to reach the state directors for review
3. The Trust Fund Committee approved the Trust Fund Collection Working Group Charter.

- Wrap-up Discussion / Adjourn

The Chair thanked AFWA staff, Silvana, for helping with the coordination of the meeting and through the process of transitioning to the position as a Chair. He also thanked the vice chair, Kurt Thiede.

The meeting was adjourned at 11:00 AM