United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240

TAKE PRIDE IN AMERICA

JUN 24 2005

Mr. Edwin Piñero
Federal Environmental Executive
Office of the Federal Environmental Executive
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear ~~Mr. Piñero~~ Ed:

I am pleased to submit both the Department of the Interior and Bureau and Office responses to the President's Management Council Compliance Management Improvement Recommendations (enclosed). The Department of the Interior is committed to ensuring that its facilities comply with environmental laws and regulations. As you know, the Department's Environmental Management Systems Council met on February 23-24, 2005, at the Bureau of Land Management National Training Center, in Phoenix, Arizona, to formulate our responses. Your presence and shared knowledge at our meeting provided us with valuable input to this initiative which, we deeply appreciate.

Within the context of available budget resources, Secretary Gale A. Norton has already committed to implement environmental management systems to improve our environmental compliance and performance. The Department is committed through its everyday responsibilities following the guide of what Secretary Norton calls the 4 Cs: communication, consultation, cooperation, all in the service of conservation. The Department is committed to building partnerships to encourage conservation and preserve our natural and cultural resources; to bringing innovative approaches to solving land management and water disputes; and to developing energy, including renewable sources of energy, in the most environmentally protective manner.

Thank you for assisting us in this management improvement initiative. The enclosed executive summary highlights some of our responses along with the more detailed responses from Departmental Bureaus and Offices. If you have any questions, please contact Dr. Willie R. Taylor, Director, Office of Environmental Policy and Compliance at (202) 208-3891.

Sncerely,

P.Lynn Scarlett

Enclosures

cc: Solicitor
Deputy Assistant Secretary – P&IA

U. S. Department of the Interior
Response to the
President's Management Council Compliance Management Improvement Recommendations

EXECUTIVE SUMMARY

The U. S. Department of the Interior consists of many Bureaus and offices with different missions that serve a diverse customer and public base. Within the Department, managing the environment is a critical component of our mission of being good stewards of our Nation's natural and cultural resources. This executive summary provides a brief overview of the activities by Departmental Bureaus and Offices in response to the President's Management Council Compliance Management Improvement Recommendations. The attached reports that follow are in the prescribed format requested by the Office of the Federal Environmental Executive (OFEE) and provide more in-depth information.

Department Level

The Office of Environmental Policy and Compliance chairs the Department Environmental Management Systems (EMS) Council and continues to coordinate environmental compliance activities and EMS implementation to ensure that environmental accountability is integrated into Bureau and Office day-to-day activities and long-term planning. The implementation of Departmental internal scorecards on environmental auditing and EMS implementation will assist in furthering our compliance efforts. Furthermore, the Department EMS Council is in the process of developing better metrics for our compliance efforts. Through the Environmental Cleanup Liabilities guidance and database development, there will be better integration with the Department's financial management systems for improved identification of the Department's environmental liabilities. Also, this will assist in improved resource allocation for Department-wide cleanup actions administered by the Central HazMat Fund. Funding remains a significant issue and support by the Office of Management and Budget is needed to enable Departmental Bureaus and Offices to set compliance as an Administration priority in their annual performance budget requests.

Bureau/Office and Facility Level

National Business Center (NBC): Environmental responsibility is typically the Building Manager or Collateral Duty Safety and Occupational Health Officer. Facility-level information will be collected through the environmental audit program. NBC-wide EMS is now being developed and will be rolled out in Fiscal Year 2005. Also, facilities will be allowed to select their own targets and goals based on their environmental impacts. Resources have been requested but have remained unfunded.

Bureau of Indian Affairs (BIA): The Indian Affairs Manual identifies environmental compliance management and requirements consistent with Department goals and

objectives. The BIA's environmental programs use Department policies and goals for program development and implementation. However, Department goals are not always met due to Bureau needs and priorities, and lack of available resources. The BIA organizational structure is complex and Regional Environmental Scientists do not have direct line authority over BIA facility-level programs on environmental management. Facility-level environmental programs are currently rudimentary. EMS implementation will be phased in at this level to address immediate needs and most practical EMS aspects with more sophisticated EMS elements implemented over time. BIA regional budget requests and funding include projects to correct some environmental auditing findings. However, the majority of funding requests for assistance come from Tribes.

Bureau of Land Management (BLM): The BLM has a goal to annually increase the percent of organizational units rated in good safety, health, and environmental condition. BLM's Compliance Assessment-Safety, Health, and Environment (CASHE) Program educates all facilities on their facility compliance responsibilities. CASHE audits are performed at all organizational units. These audits inspect all facilities and review their operations fro compliance with safety, health, and environmental regulations. Baseline CASHE audits have been completed for all BLM organizational units and most organizational units have already had a follow-up audit. CASHE Corrective Action funding is aligned with BLM's Deferred Maintenance Program. Budget requests to pay for compliance audits, EMS, and abandoned mine land corrective actions are routinely prepared. However, cuts to BLM programs and flat funding have required BLM to readjust funding available for these programs and funding programmed for CASHE Corrective Action projects is decreasing. The BLM's environmental compliance budget has essentially been level funded since 1999. Therefore, new environmental compliance management initiatives are difficult to accomplish because of competing priorities. BLM will be issuing its policy in the fourth quarter of Fiscal Year 2005, committing the Bureau to EMS implementation.

Bureau of Reclamation (WBR): The WBR established and implemented environmental compliance audit programs and policies that emphasize compliance and pollution prevention. Environmental responsibility occurs at the Bureau, region, and facility levels. However, it is largely a collateral duty responsibility, especially, at the facility level. Safety staff often participates as ad-hoc environmental managers. Environmental audit are addressed to a priority scheme which the facility has agreed to. Each WBR facility can be very different from others so the sense of priority is not uniform. The available budget has decreased or remained the same over the past five years and the environmental staff resources have decreased. Although there is representation of environmental programs in the budget process, WBR's environmental programs have never been fully funded.

U.S. Fish and Wildlife Service (FWS): The FWS has a very seasoned program that integrates compliance management and compliance requirements into operations through EMS and environmental compliance auditing. The FWS reaffirmed management and performance goals in 2003, with a memorandum from the FWS Director addressed to all FWS regions. All FWS facilities implementing EMS have a written commitment and policy statement. The FWS plans to include compliance and EMS goals within the FWS

Government Performance and Results Act goals and seeks to obtain environmental compliance at all levels. The FWS has an environmental audit findings database to track all corrective actions and all compliance findings are tracked to completion. Resources are available to address the majority of audit findings, but future budgets will severely hinder continuing at present levels of accomplishment. Funding requests were reduced for 2006 due to overall budget cuts including training.

Minerals Management Service (MMS): MMS operations consist only of administrative activities in office space leased by the General Services Administration. As such, MMS operations have no regulatory or legal requirements as identified by the President' Management Council Compliance Management Initiative Recommendations. MMS understands that if these conditions change, the MMS will re-evaluate the recommendations provided by OFEE, and that this does not exempt MMS from Executive Orders, Agency policies, or other requirements supplemental to laws and regulations.

National Park Service (NPS): The NPS Environmental Management Program has issued policies and directives to its regions on environmental auditing, EMS, and Greening the Government initiatives. Safety staff often serves as ad-hoc environmental managers. The NPS developed an audit closure tracking tool that facilities are required to use to record progress. The status of EMS program rollout is monitored from an Intranet site through a self-reporting system. NPS facility-level EMS requires a commitment statement or policy. The Concession Environmental Management Program is responsible for developing and implementing a national program to promote concessioner environmental compliance and environmental program enhancement. New concession contracts incorporate environmental objectives and include performance requirements in the contracts, and inn operation and maintenance plans. Due to resource constraints at the park level, not all new contracts and associated EMS are reviewed and Park resource constraints often limit concession staffing. Overall, NPS funding has remained relatively flat for over the past 5 years.

Office of Surface Mining (OSM): OSM, unlike many Bureaus, does not own or operate any facilities. However, it is currently conducting environmental management audits in all of its locations in conjunction with its facility safety inspections and training its Collateral Duty Safety Officers in environmental management compliance. OSM continues to move forward in its EMS Program and has drafted its environmental management policy and conducted baseline environmental audits. OSM's management has been briefed on the EMS policy which should be finalized by the end of the fourth quarter of Fiscal Year 2005. Also, OSM is working with the General Services Administration to develop green occupancy agreements and has been active in donating excess computer equipment to non profit organizations for reuse, purchasing of green products, recycling, and including energy efficiency goals in its Fleet Management Plan.

U.S. Geological Survey (USGS): The USGS environmental auditing and EMS requirements and implementation guidance are incorporated into the Environmental Management and Compliance Program Requirements Handbook. Environmental compliance is accomplished entirely by collateral duty staff and who often serve as ad-

hoc environmental coordinators. Facility-level information and compliance is collected through the environmental audit program. USGS uses deferred maintenance funding to address environmental compliance issues that are eligible for deferred maintenance funding. USGS does not have centralized funding available for small-scale corrective action needs. The available budget has remained the same over the past 5 years. USGS wants to increase its compliance level by 5 percent each year and to track its progress through a web-based environmental compliance tool.

U.S. Department of the Interior
Office of Environmental Policy and Compliance

President's Management Council Compliance Management Improvement Recommendations

Department Level Response

Affirms Administration policy and goals in the context of Department of the Interior (DOI) mission; communicates policy and goals to the Bureau level; supports Bureau efforts to improve environmental compliance management and environmental program performance; and, aggregates Bureau performance information to be reported to the Administration level.

Category	Department-Level Recommendation	DOI Response
Policy	D-1 Affirm Administration policy regarding commitment to environmental compliance and enhanced program performance.	Past: Compliance with environmental statutes and regulations. • Departmental Manual Chapter, 518 DM 2, "Compliance with Waste Management Requirements" dated June 30, 1994. • Departmental Manual Chapter, 518 DM 1, "Comprehensive Waste Management" dated March 3, 1994. • Departmental Manual Chapter, 515 DM 2, "Environmental Auditing" dated September 8, 1997. • Departmental Manual Chapter, 515 DM 3, "Environmental Management Recycling Programs" dated February 5, 1998. Present: Use EMS to enhance environmental compliance management improvement and program performance. • Departmental Manual Chapter, 518 DM 4, "Environmental Management Systems" dated October 2, 2002. • Environmental Compliance Memorandum, ECM 03-02, "DOI EMS Council" dated February 3, 2003. • Secretarial Memorandum on "Improving Environmental Compliance and Performance through Environmental Management Systems" on August 26, 2003. • Environmental Compliance Memorandum, ECM 04-02, "DOI EMS Self-Declaration Protocol for Appropriate Facilities" dated July 7, 2004. • Memorandum from Assistant Secretary-PMB dated February 4, 2005 to Assistant Secretaries and Heads of Bureaus and Offices concerning DOI action on the PMC Compliance Initiative Recommendations. • OEPC Follow-up Memorandum dated March 2, 2005 to Assistant Secretaries and Heads of Bureaus and Offices requesting tables completed the PMC Compliance Initiative by March 25, 2005. Future: Build partnerships and collaborative efforts which other Federal agencies, states, and tribal organizations to enhance environmental program performance consistent with the DOI and within resource constraints.

Category	Department-Level Recommendation	DOI Response
Planning	D-2 Ensure alignment and integration of Administration environmental policy with DOI strategic plans and policies within the context of DOI mission.	• Current DOI Strategic Plan does not address environmental management explicitly. • Recommend inclusion of performance goal(s) and measure(s) on environmental management in update to DOI Strategic Plan (2006-2007). • OEPC and DOI EMS Council to develop input.
	D-3 Ensure that DOI budgeting systems identify environmental program requirements and that DOI accounting systems properly identify and dedicate environmental management funding.	• Environmental Cleanup Liabilities (ECL) guidance. • Facility compliance liabilities as identified during audits should be included in the ECL report. • Large opportunity for improvement here.
	D-4 Provide budget/program-planning guidance to improve environmental compliance management programs (at Bureau level where appropriate).	• OEPC 3-2004 memo recommendations to Bureaus. • Current DOI policies (e.g., 515DM2) specify a need to budget by Bureaus but there is neither monitoring nor enforcement. • Further guidance may be needed in this area.
	D-5 Provide guidance metrics for environmental program performance, including compliance management and other information necessary to respond to Administration level metrics.	• EMS Scorecard (red, yellow, green) proposed for use at quarterly Department senior level management meetings. • Annual Audit Program and EMS Summary Reports. • Quarterly ECL Reports. • Need to specify Administration metrics. • Develop relationship between metrics and DOI Strategic Plan. • Future EMS Council action – Recommend appropriate metrics relevant to DOI Strategic Plan.
	D-6 Utilize environmental compliance management performance information to inform management and funding decision-making processes and improve environmental compliance management and environmental performance.	• Annual Environmental Audit Program Summary Report. • Need to develop and present "Cost of Compliance" data. • Currently no apparent strong relationship between environmental compliance and funding decisions. • No negative consequences for poor performance.

Category	Department-Level Recommendation	DOI Response
Support Mechanisms	D-7 Align budget and funding procedures to recognize and respond to identified programmatic needs for support of environmental compliance management and enhanced program performance.	• A better relationship between budget and funding procedures is needed to support environmental compliance management initiatives. • OMB support is needed to enable agencies to set this as an Administration priority in their annual performance budget requests.
	D-8 Train financial/budget staff to effectively recognize and address environmental management elements in budget considerations and requests.	• No Department-level training currently. • Good idea but needs OMB support. • OEPC is working with the DOI Budget Office to understand CHF and ECL. Possible need to expand this approach to include all other environmental compliance issues. • Consider opportunity to address budget staff at their annual meeting on environmental management elements in budget.
	D-9 Ensure adequate resources are planned and allocated across DOI to foster improved environmental compliance management and program performance.	• Bureaus budget for compliance in their operations and maintenance, but it is normally not broken out as "compliance." • General concern about the Department deciding where bureau budget (i.e. resources) should go.
		• EMS Council to address and make recommendations. • Currently CHF practices are indicative of a possible model. • MAXIMO, the asset and maintenance management software application system used by DOI and its Bureaus, has limitations, but may be a useful tool.

Category	Department-Level Recommendation	DOI Response
Accountability	D-10 Align/incorporate environmental compliance management factors into accountability elements and roles and responsibilities for senior and mid-level management personnel to ensure awareness of and support for implementation of environmental program management goals.	• In general, senior and mid-level managers do not have environmental compliance goals in their annual performance plans. • Environmental compliance management goals will be proposed in overall goals (i.e. GPRA) – the most reliable way.
Checking	D-11 Include environmental program performance metrics in existing management information collection processes to identify, collect, and report to Administration level on DOI performance relative to programmatic and compliance goals and strategic plans.	• Currently there are no full metrics, nor an environmental management information system. • Some information collected through, EMS, ECL, audit report summary, Central HazMat Fund, Natural Resource Damage Assessments. • See previous recommendation responses for related information.
	D-12 Review environmental compliance management status, successes and failures to inform DOI management decision-making and implement corrective actions towards environmental compliance management improvement.	• Proposed internal EMS scorecard presented at quarterly PMA meetings. • Consider making scorecard data public. • Annual Environmental Auditing and EMS Reports. • Currently there are no consequences for failure. • Some recognition for success through DOI Environmental Achievement Award and White House Closing-the-Circle Award.
	D-13 Evaluate environmental compliance management with regard to funding requested and funding received to identify the implications of funding disparities on environmental management programs. Evaluation should occur within the environmental function chain at the lowest practical functional level and inform DOI management decision-making.	• Evaluation not now done. • Compliance is not a line item in budget – not proposed. • OEPC to work with Bureaus to determine the best way to address funding issues.