
U.S. DEPARTMENT OF THE INTERIOR



Annual Report

Fiscal Year 1994

Prototype

Foreword

The Chief Financial Officers Act of 1990 was enacted to improve the financial management practices of the Federal Government, and to ensure the production of reliable and timely financial information for use in the management and evaluation of Federal programs. The Government Management Reform Act (GMRA) of 1994 furthered the objectives of the Chief Financial Officers Act by requiring all Federal agencies to prepare and publish annual financial reports, beginning with fiscal year 1996 activity.

The Department of the Interior has prepared this prototype Annual Report based on fiscal year 1994 activity in preparation for meeting the requirements of the GMRA. This prototype is intended to demonstrate the content and presentation of an Overview of Department Operations and the Department-wide financial statements, which are the two primary elements of the Annual Report. In future years, it is expected that the Department's Annual Report will be expanded to include information and measures of operating performance in accordance with the Government Performance and Results Act.

This prototype has been prepared to assist the Department in developing the appropriate format for communicating financial and related information that is useful and informative to other Governmental entities, Congress, and the public. Although this is a "sample" report, every effort has been made to ensure the accuracy of the information presented.

All comments regarding the content and presentation of this report are welcome.

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About the cover (clockwise from top): 1. Buffalo herd grazing in Yellowstone National Park 2. Giant trees in Sequoia National Forest 3. Crater Lake National Park 4. Yellowstone Lake, Yellowstone National Park 5. (center) Federal Duck Stamp

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The Mission of the Department of the Interior

As the nation's principal conservation agency, the Department of the Interior is charged with the mission:

- to encourage and provide for the appropriate management, preservation, and operation of the Nation's public lands and natural resources for benefit and enjoyment by all Americans both now and in the future;*
- to develop and use resources in an environmentally sound manner and provide an equitable return on these resources to the American taxpayer;*
- to carry out related scientific research and investigations in support of these objectives; and*
- to carry out trust responsibilities of the U.S. Government with respect to American Indians and Alaska Natives.*

Letter From the Secretary



The values of our National Parks, Wildlife Refuges, Historic Sites, and other public lands are legion: the value of Nature for its own sake - a source of wonder and enjoyment; the value of learning about the workings of the natural world and the lives of past generations and civilizations; the value of the surviving multitudes of wild species that flourish as part of the natural systems on which we too depend; the incredible economic value that comes from tourism and the forward-looking use of natural resources; and the value of simply knowing it's all there and that it will be there for our children and theirs.

With responsibility for over 500 million acres of land, the Department of the Interior is the steward of much of this natural and cultural inheritance, protector of our national parks and magnificent wildlife, gateway to vast expanses of forests, mountains, rivers and grasslands, and caretaker of countless historic places steeped in the traditions and values of those who have gone before us. Part of our ethic of stewardship is the conservation and management of the incredible wealth of natural resources that has given us the wherewithal to build a thriving country. Whether it is the delivery of water to arid Western states or the development of oil and gas reserves, the Department of the Interior is a major contributor to the growth of this country. Striking a balance between conservation and development is, of course, no simple task.

We also stand in a special relationship with Native Americans. While the Federal trust obligation lies at the heart of this special relationship, the scope of our responsibilities to American Indians extends beyond basic trust obligations to include a wide range of Federal service obligations delivered in concert with Indian Self Determination. We are committed to a meaningful self-determination policy under which Indian people fully participate in the planning, conduct, and administration of Indian programs and services, including education and public safety.

During the last three years, President Clinton's Interior Department has moved on a number of fronts to resolve some of the country's most intractable environmental problems. In the Pacific Northwest, we used the best science to develop a forest plan for federal lands that would preserve the old growth forests and endangered species and continue to provide employment for workers in timber communities. In South Florida we took the restoration of the Everglades out of the courts and into the marshes, beginning the largest environmental restoration project in history to protect both the

natural beauty of South Florida and the water supply for millions of people.

Just this summer, we put in place a new way of doing business on western rangelands by enlisting community members representing the diversity of interests that need to be considered when making decisions about the health of the land. And all over the country, from the coast of Southern California to the pine forests of the South, we've stepped into emerging conflicts over endangered species protections to work out real solutions that protect jobs and allow development to proceed while at the same time setting aside important habitat for threatened species.

We have also looked ahead and taken steps to prevent conflicts. In the first three years of the Clinton Administration's stewardship, we have gone about the extraordinary task of managing our national inheritance under the floodlight of good science and in a way that will ensure that the decisions we make today don't have unintended negative ramifications tomorrow. We've separated science from regulation. And even while overall budgets are going down, we've maintained our commitment to science as insurance against the unknown, be it earthquakes or endangered wildlife, and as our single most important tool for managing the diversity of the American landscape.

Finally, we've guided all of our actions by the standard of sustainability, asking ourselves at every turn: "How will this decision affect the beauty, integrity, and availability of this resource for our children?" History has taught us the folly of living for the present and taking for granted the plenty that Nature has given us and that our forerunners have conserved for us. The land is a mirror to our national soul. How we treat it will reflect on us forever and will be the grounds for our judgment by future generations of Americans.

BRUCE BABBITT
Secretary of the Interior

Letter From the Chief Financial Officer



The demand for the services provided by the Department of the Interior continues to grow. Park visitation is projected to reach 276 million in 1996. Hunting, recreation, and other visits to the public lands and wildlife refuges will increase. The number of students taught in Bureau of Indian Affairs schools will increase 10 percent over the next two years.

At the same time, the cost of doing business, as a result of pay increases and other changes, is projected to increase 4.8 percent between fiscal year 1994 and fiscal year 1996. For obvious reasons, then, we must continue finding better and more efficient ways to serve our customers. To that end, we have moved forward aggressively with a reinvention plan and improved financial management that will help the Department of Interior work better and cost less. Interior has completed or begun implementation of over 95 percent of the Interior-specific recommendations of the Vice-President's National Performance Review, and has made substantial improvements in financial management.

Integrity: The importance of financial integrity cannot be underestimated -- only with it can we ensure that the public's money is being well spent. The foundation for improving the integrity and accountability of Federal programs is the establishment of basic requirements for financial systems, financial reporting, and audited financial statements. What gets measured, gets done. Our stakeholders -- the Congress, the Administration, and the taxpayers -- have a right to know the results achieved for the resources expended. In my view, the Chief Financial Officers Act and the Government Performance and Results Act will go a long way toward establishing a "performance infrastructure" within the Federal Government.

For our part, DOI has implemented one core accounting system run at the bureau level, covering 95 percent of all appropriated dollars. We have audited financial statements for each bureau in fiscal year 1994. We have devoted increased attention to managing financial risks, including the clean up of hazardous materials on federal lands. We are developing new standards of what integrity means -- establishing new expectations; making program managers accountable for financial results; setting Senior Executive performance; and defining performance measures -- transforming focus from inputs to outcomes.

Reinvention: We believe in putting funds where they count -- at the field level, with the employees who work directly with our stakeholders and natural and historic resources. Interior's

streamlining plan will establish a 1:14 supervisor-to-employee ratio by 1999. The plan will result in a reduction (over five years) of 59 percent of supervisors, 49 percent in headquarters staff, 53 percent of personnel specialists, 43 percent of budget specialists, 33 percent of acquisition specialists, and 32 percent of accountants/auditors. These reductions reflect the serious effort Interior is making to reduce administrative overhead and streamline our operations. Whether it's maintaining a trail in Great Smoky Mountain National Park, repairing a dam on the Navajo Reservation, or improving earthquake and flood monitoring in California, the emphasis is on supporting and improving the services provided to our customers.

During the past year, the Department embarked on an ambitious benchmarking effort to systematically identify accounting and financial processes and procedures that could be standardized, improved, or eliminated to improve the customer service and reduce cost. We convened the Finance Officers' Partnership -- consisting of senior financial managers in each bureau -- to provide a baseline for future financial management re-engineering activities.

Building for the Future: I believe that the Department of the Interior is at an important crossroads today, with unmitigating pressure to do more with less. The decade of the 1990's will prove, I believe, to be one of the most challenging, dynamic periods ever experienced by public managers. The challenge facing all Chief Financial Officers is to rethink the ways we conduct the government's business; to provide the necessary leadership to efficiently manage resources; to provide timely and accurate financial information for stakeholders and program managers; and, most importantly, to restore the public's faith in government.

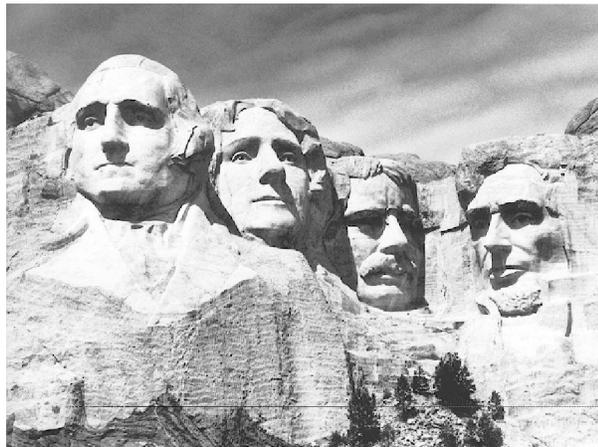
BONNIE R. COHEN
Chief Financial Officer



The Department of the Interior

As the Nation's principal conservation agency, the U.S. Department of the Interior (DOI) has responsibility for most of our nationally owned public lands and natural resources. The Department's responsibilities include fostering the wisest use of our land and water resources, protecting our fish and wildlife, and preserving the environmental and cultural values of our national parks and historic places.

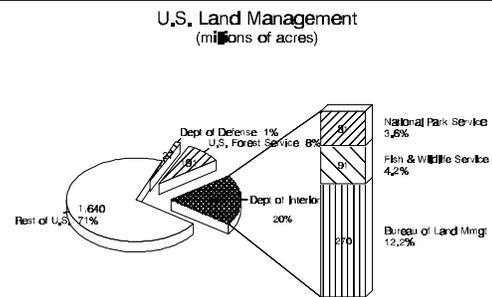
The American people have had a long-term investment in the resources managed by the Department of the Interior. In 1849, Congress created the Department of the Interior to administer the vastly expanded land holdings acquired by the Federal Government through the Louisiana Purchase of 1803, the Mexican war of 1846-48 and the 1846 treaty with Great Britain by which the United States acquired the Oregon Territory. In addition to the General Land Office, custodian of these lands, the new Interior Department was given functional responsibility for the Office of Indian Affairs, Pension Office, Patent Office, and several smaller agencies including the Census of the United States.



The faces of the four American Presidents - George Washington, Thomas Jefferson, Abraham Lincoln, and Theodore Roosevelt - carved into 6,000 foot Mount Rushmore boldly symbolize the beginning and trials of the United States during its first century and a half of growth. Begun in 1927 by sculptor Gutzon Borglum and completed by his son, Lincoln, the faces were carved to a scale of men 465 feet tall over a period of 14 years (Mount Rushmore National Memorial, South Dakota).

Over the years, the Department's role has changed

from that of a general housekeeper for the Federal Government to that of custodian of its natural resources. The Interior Department has evolved into the Nation's principal conservation agency and manager of much of the Nation's Federally owned public lands and many of its natural resources. The Department through its bureaus, services, surveys, and offices, serves people in all 50 states and has major responsibilities to American Indians, Alaska Natives, and residents of freely associated states and territories under the general administrative authority of the United States.



Total U.S. Acreage - approximately 2,300 million acres

The Department manages the natural resources of the Nation, in the form of national parks, refuges and public lands comprising approximately 20 percent of the land mass of the United States. These resources provide habitat for fish, wildlife and plants and produce revenues for the Nation from mineral royalties, timber and grazing. The Department's resource management responsibilities also include reclamation of lands damaged by past surface mining, management of water resources in the western United States and the collection of mineral royalties owed to the Federal government.

The Department continues to support scientific research to provide basic earth science, biological, and minerals data for the Federal Government and the Nation. The Department's earth and biological scientists do not make regulatory decisions. Rather, they provide objective scientific data regarding complex issues.

The programs of the Department of the Interior -

from the administration of National Parks to volcano and earthquake monitoring by the U.S. Geological Survey to management of Federal lands - will at some point touch the life of nearly every American. However, the Department accomplishes all this with only one-half of one percent of the budget of the Federal government.

The majority, 60 percent, of the financial resources of the Department are allocated toward the management of natural resources in a wide variety of forms, including operation of National Parks, Wildlife Refuges and other public lands, maintenance of dams and water conservation projects, reclamation of land damaged by surface mining and, and collection of royalties due the nation from the extraction of oil, gas and minerals from public land. As additional one-tenth of the Department's budget is invested in science that supports the Department's natural resource

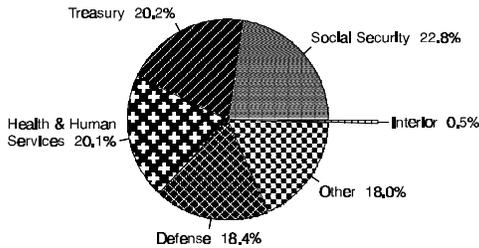
reducing the costs of those programs on the Federal budget and citizens. One-fourth of the Department's budget is used to provide a wide range of services to Native Americans.

Key Resource Management Initiatives

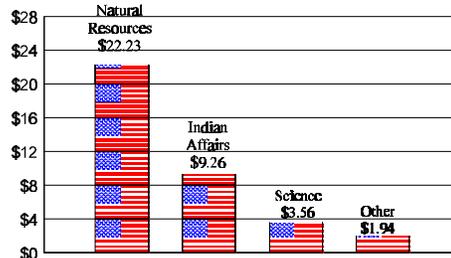
The key resource management initiatives of the Department cut across bureaus, linking resource management and sound science in a manner intended to benefit both economy and ecology. These initiatives include:

South Florida Ecosystem Restoration: One of the highest priorities for the Department is the restoration of the South Florida ecosystem, an area encompassing approximately 17,000 square miles

DOI Percentage of 1994 Federal Budget

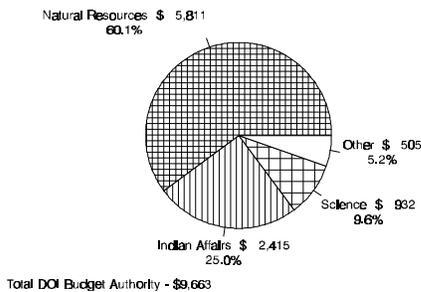


Estimated Annual Per Capita Cost
Based on FY 1994 DOI Budget Authority



DOI Budget Authority - \$9,663 million
U.S. population of 261,050,000 based on Bureau of Census estimate

FY 1994 DOI Budget Authority
(\$ in millions)



management, including finding ways to increase the effectiveness of the Department's programs while

from the headwaters of the Kissimmee River and extending south to Florida Bay and the Keys. On its northern end near the Kissimmee River Valley, the region contains the central Florida highlands and their disappearing scrub and sand pine habitat. South of Lake Okeechobee comprising the southern end are Everglades sawgrass prairies, tree islands, cypress forests, and extensive mangrove, seagrass, and coral reef communities.

Within this ecosystem are seven units of the National Park and National Wildlife Refuge systems, providing habitat for 56 Federally listed threatened or endangered species and 30 candidate species, as well as numerous other diverse flora and fauna species. In addition, the ecosystem is an important over-wintering area for migratory

waterfowl. Florida Bay is an important commercial and sport fishery resource contributing to the economic health of the region.

The region, home to more than five million people, is one of the fastest growing and heavily populated areas of the Nation, and supports tourism, agricultural, and fishing industries. The area's future depends on its long-term ability to sustain these natural resources and accommodate the growing urban presence.

The Clinton Administration established the South Florida Ecosystem Restoration Task Force, chaired by the Department of the Interior's Assistant Secretary for Fish and Wildlife and Parks, to provide leadership and coordination among the Federal agencies involved in the region.

The goal of the Task Force is to work towards restoring, to the extent possible, the natural hydrologic functions of the Everglades to support environmental and economic needs. This work cannot be done by the Federal Government alone; the Task Force is working in partnership with the state of Florida, local governments, the Seminole and Miccosukee Tribes, and other organizations, such as the Governor's Commission on a Sustainable South Florida.

Since the Task Force was established, there have been several major successes including the settlement of longstanding water quality litigation between the Federal Government, the State of Florida, and major agricultural interests.

Pacific Northwest Forest Plan: The Forest Plan is a comprehensive blueprint for forest management, economic development, and interagency coordination in the Pacific Northwest. The Forest Plan offers a new approach to managing old growth forests and their biological diversity, based on objective science and a commitment to existing law. The Forest Plan aims to strengthen the long-term economic and environmental health of the region. To encourage attainment of these goals, the Forest Plan follows these five objectives:

- First, provide a sustainable harvest that will allow timber sales and logging based on a scientifically sound and legally responsible plan.

The plan provides for a sustainable harvest of 1.2 billion board feet annually from spotted owl forests.

- Second, provide economic assistance to help local workers, families, businesses, Tribes, and communities strengthen their economies and determine their own economic and social futures.
- Third, provide an innovative approach to environmental protection based on key watersheds and valuable old growth forests.
- Fourth, set up a comprehensive system of old growth preserves that includes the most valuable old growth forests and designated conservation areas to protect specific species.
- Fifth, promote improved coordination among Federal agencies.

The Department has played a large part in the Administration's implementation of a unique "Jobs in the Woods" program which provides environmental benefits at the same time it provides much needed job opportunities for workers. For example, timber workers' skills are needed for watershed restoration projects.

California Desert: The Department has begun to implement the recently passed California Desert Protection Act which will assure protection of this valuable desert wilderness. This Act has expanded the Death Valley and Joshua Tree National Monuments and upgraded them to National Park status. The bill also designates the Mojave Desert as a National Preserve and establishes 69 new wilderness areas comprising over 3.6 million acres of Bureau of Land Management land. These park units and wilderness areas will provide recreational and tourism opportunities for southern California's rapidly growing urban population.

The Department will set a new standard for public lands management by managing the California Desert as one ecological system. In addition to internal management coordination, the Department is also working with the Department of Defense, the military services, and the State of California to develop a joint planning process for public lands

managed by the two Departments in the California Desert area. The efforts will ensure an efficient utilization of resources and expertise.

Restoration of Prince William Sound: In the past year, significant strides have been made to restore the natural resources of Prince William Sound, which were heavily damaged by the March 1989 Exxon Valdez oil spill - the largest in U.S. history. The Administration has begun to acquire environmentally sensitive lands, worked to implement joint Federal/State restoration and instituted a restoration plan for the area.

The restoration plan will use the civil fines and settlement monies (totaling \$1.1 billion) that will be paid by the Exxon Corporation into the next century. In 1995, the Department will continue leadership in

the acquisition of environmentally sensitive habitat, and encourage development of an ecological inventory for future land use and environmental analyses.

Discussion and Analysis of Departmental Programs

Programs administered by the Department of the Interior can be classified into four major categories: Natural Resources Management, Science, Native American Programs, and Other Departmental Programs. The functional areas, in turn, are comprised of individual DOI bureaus and offices. The following sections discuss major functional and bureau program highlights.

Restoration of a National Symbol

In 1963, there were 417 occupied Bald Eagle territories; the bird's population had been decimated by the ingestion of DDT. By 1993, thanks to recovery efforts by the Fish and Wildlife Service and cooperation from the American people, there were more than 4,000 occupied Bald Eagle territories. The Fish and Wildlife Service reclassified the eagle from endangered to threatened throughout the lower 48 states in 1994, with the exception of some Southwestern states.



This recovery did not happen by accident. It was only with cooperation among diverse interests and mutual respect that this accomplishment could happen. For example, more than 400 bald eagles congregate on the Missouri River below Canyon Ferry Dam between mid-October and mid-December each year to feed on spawning salmon, the largest concentration of fall migrant eagles in the lower 48 states. A cooperative management plan and public education program has been developed to enable viewing of the eagles by the public while minimizing disturbance to the birds. Recreational and other activities such as dredging or mining are coordinated and managed to facilitate viewing of the birds by the public.

Another example of cooperation is with the Louisiana-Pacific Corporation, which owns land adjacent to Nevada Lake in Montana where an active bald eagle nest occurs. The Corporation, aware of the bald eagle nest and the potential that its proposed logging operations would displace the birds, voluntarily contacted the Montana Field Office of the Fish and Wildlife Service to coordinate the timing and type of logging. Monitoring after the logging confirmed successful nesting by the eagle pair.

Management of Natural Resources

The management of natural resources requires the balancing of many diverse and often conflicting objectives and interests. On one hand, the Department ensures public access to the Nation's resources in the form of recreational and commercial uses. At the same time, the Department must also ensure that these resources are preserved for future generations.

In managing the natural resources entrusted to it, the Department strives to accomplish the objectives of public access and preservation in a manner that respects both ecological and economic principles.

Ecology Based Management

Natural resources management in the Department is based on the awareness that natural and cultural resources and the environmental processes that affect them are fundamentally influenced by society and vice versa. Often, regional economic prosperity is closely linked to environmental integrity. The resources under the Department's protection by are not isolated from the surrounding environment and communities, rather they are inextricably linked to them.

The long-term sustainability of the environmental, societal, and economic systems on which Federal lands and their surrounding human communities depend, requires a collaborative and participatory approach that integrates scientific knowledge and maintains flexibility in order to make adjustments over time.

“Ecosystem management” represents a new way of managing natural resources, taking into account the entire ecological system rather than considering individual parts separately. This management approach acknowledges that there is a connection between healthy ecosystems and human livelihoods. Natural systems and processes must be sustained in order to meet the social and economic needs of future generations. Ecosystem management also calls for those affected by conservation decisions to be involved in those decisions.

To make this approach work, Interior Department bureaus are forming new partnerships among themselves and with State and county governments, Tribes, business and civic groups, and individual landowners. In this way, interested agencies and citizens can set priorities and work together to accomplish mutually agreed-upon goals. The result

Acquisition of the Public Domain of the United States
1781 through 1867

Acquisition	Date	Cost (\$ millions)	Land Acres Acquired (in millions)	Percent of Total U.S. Land Mass
Ceded from Original States	1781 - 1802	\$ 6.2	233.5	10.2%
Louisiana Purchase	1803	23.2	523.4	22.9%
Red River Basin	1782 - 1817	0.0	29.1	1.3%
Ceded from Spain	1819	6.7	43.3	2.0%
Oregon Compromise	1846	0.0	180.6	7.9%
Ceded from Mexico	1848	16.3	334.5	14.6%
Purchased from Texas	1850	15.5	78.8	3.4%
Gadsden Purchase	1853	10.0	19.0	0.8%
Alaska Purchase	1867	7.2	365.3	16.3%
		\$85.1	1,807.5	79.4%

Between 1781 and 1867, the Federal government acquired land equal to 79.4 percent of the current total acreage of the United States, spending a total of only \$85.1 million. Included in these acquisitions were lands ceded from Mexico including what is now California, Nevada, Utah, most of Arizona and portions of three other states. This acquisition cost of this territory totaled \$16.3 million.

will be better understanding among participants and more efficient use of limited resources. The ultimate goal is that ecosystem management will help identify and solve problems early, before the onset of a costly economic or environmental crisis.

Diversity and its Values

The loss of biological diversity is an accelerating, world-wide phenomenon. The aurochs, the wild ancestor of domestic cattle, disappeared in Europe in 1627. In central Asia, the tarpan, ancestor of the domestic horse, became extinct in the mid-1800's. Extinctions continue today, and obscure species like the noonday snail as well as spectacular ones like the whooping crane are endangered.

Wild species are necessary to ensure the continued productivity of our cultivated foods. Of an estimated 80,000 types of plants known to be edible, only about 150 are extensively cultivated. A mere three crops - corn, wheat, and rice - supply two-thirds of the world's total grain harvest. The potato blight in Ireland during the 1840s led to the starvation of two million people and prompted mass emigration to the United States. Eventually, the potato was cross-bred with several of its wild, disease-resistant relatives, producing the many reliable varieties in use today.



The U.S. Fish and Wildlife Service confiscates endangered species products.

Biological diversity is thus a form of insurance. If cultivated varieties of food fail due to disease or global changes, we can look for genetic infusions from the natural world. National parks and other preserves help ensure that vital wild resources and their genetic information will continue to exist.



The U.S. Fish and Wildlife Service releases tagged striped bass in Appalachicola River, Florida.

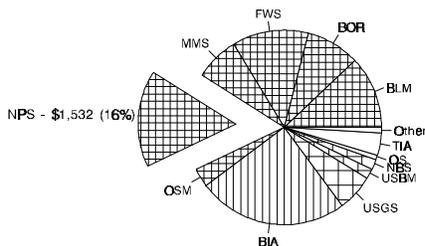


National Park Service

Our Nation recognized the value of preserving our heritage when it created the world's first National Park, Yellowstone, in 1872. The subsequent establishment of the National Park Service on August 25, 1916 reflected the Nation's recognition that natural and cultural resources must be set aside to be preserved for future generations.

The National Park Service (NPS) protects and manages the nation's most scenic and awesome places, including the Grand Canyon, Denali, and the Redwood forests, the same places that have come to dominate our national sense of place and our image of nature, timeless and unbound, beckoning explorers to her across a virgin continent.

FY 1994 NPS Budget Authority (\$ in millions)



Total DOI Budget Authority - \$9,663

The National Park System includes 368 vastly diverse units that embrace over 80.7 million acres across the country. The National Park System celebrates significant aspects of our country's heritage, including:

Natural Diversity: Displaying the great natural wonders of our country that range from the granite domes of Yosemite to the volcanos of Haleakala National Park and the beaches of Virgin Island National Park.

Cultural Diversity: Commemorating American Indians, Pacific Islanders, Alaska Natives, African Americans, Spanish pioneers, and European and Asian immigrants, all of whom were integral to the

development of our country.

Historic Diversity: Celebrating the pioneering efforts of homesteaders and ranchers who settled the country, and the individuals who have protected our freedom since the first shots of the Revolutionary War.

Professional Diversity: Celebrating the contributions of nationally significant individuals, ranging from sculptors, writers and performers, to politicians, statesmen and bankers.

Recreational Diversity: Embracing 18 national recreation areas from the Cape Cod National Seashore in Massachusetts to the Golden Gate National Recreation Area in California. National Rivers, Scenic Trails and Seashores: these are the Nation's playgrounds.

National Park Resources in Peril: "Loving our parks to death" has become a popular expression for the troubled state of natural and cultural resources within the National Park System. The annual 273 million visitors often unintentionally, and occasionally intentionally, cause resource damage that results, over time, in significant damage to resources.

In Mesa Verde National Park, for example, years of cumulative impacts at the Cliff Palace have weakened ancient walls and caused the build up of harmful oils on ruin surfaces.

In the last five years, intentional resource violations on National Park Service lands have increased 123 percent, ranging from the purposeful cutting of live trees to the theft of Native American pottery and Civil War relics. Crimes against natural resources include poaching, collecting and damaging wildlife, plants, minerals, and fossils.

At Petrified Forest National Park, studies show that approximately 12 tons of petrified wood have been removed by park visitors yearly either as souvenirs

or black market sales items.

Employees: The main backbone upholding the agency and carrying out its mission are Park Service employees. Total staffing in 1995 is approximately 19,200 full time equivalent employees, of which more than 75 percent are employed in park units. Park employees serve a diverse clientele of visitors and function in multiple roles as both caretakers and interpreters of natural and cultural sites.

Park Rangers are law enforcement officials and protectors of visitor safety. In 1993 alone, there were 6,200 search and rescue actions in the parks and more than 5,000 serious law enforcement incidents.



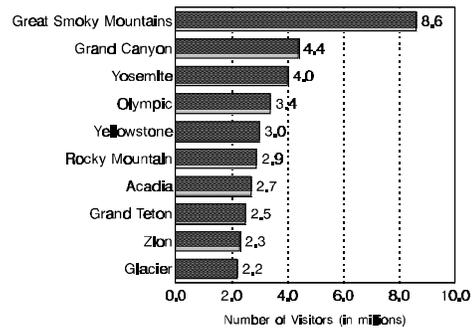
North Carolina Monument sculpted by Gutzon Borglum (Gettysburg National Military Park).

In the area of cultural resource preservation, park staff serve as historic preservation specialists, undertaking specialized repairs in unique surroundings such as replacing the original plaster ceiling at Arlington House, the ante-bellum home of Robert E. Lee.

One of the most visible functions of all is serving the visitor. From the ranger at Hawaii Volcanoes National Park, who explains lava activity while it flows only a few feet away from the visitor, to the interpreter at Independence National Historical Park, who details the historic deliberations of the Continental Congress, the park employee serves as the link between the past and the present.

Park Fees: Entrance fees are charged at 186 of

Most Visited National Parks in 1994



the 368 National Park System units, ranging from \$3 per person or \$5 per vehicle at most locations to \$10 per vehicle at Yellowstone, Grand Tetons, and the Grand Canyon. In addition, recreational use fees for facilities such as campgrounds and boat launches also are charged at parks throughout the System.

In 1994, fees generated \$76 million, equalling five percent of the total National Park Service budget. Although most of this revenue goes into the general Treasury, beginning in 1993, 15 percent was retained without further appropriation to offset the costs of fee collection.

By historical standards, the National Park Entrance fees are extremely low. The 1916 auto permit prices at Yellowstone (\$10), Yosemite (\$8) and Mount Rainier (\$6) are equivalent to over \$83, \$65, and \$50 in current dollars. The National Park Service is committed to continued review of the fee structure and other means of revenue generation to ensure the availability of the resources necessary to manage and protect the treasures entrusted to it.



U.S. Fish and Wildlife Service

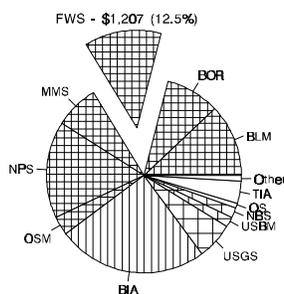
This nation's fish and wildlife resources are an important part of our natural heritage. They represent an irreplaceable natural legacy, provide numerous opportunities for recreational enjoyment, serve as indicators of environmental health, and in many ways support our livelihood. With pressures on our natural resources increasing each day, efforts to preserve them for future generations are all the more critical.

The mission of the U.S. Fish and Wildlife Service (FWS or Service) is to conserve, protect, and enhance fish and wildlife and their habitats for the continuing benefit of the American people.

Today, national wildlife refuges have been established from the Arctic Ocean to the South Pacific, from Maine to the Caribbean. Varying in size from half-acre parcels to thousands of square miles, they encompass more than 92 million acres of the nation's best wildlife habitats. The vast majority of these lands are in Alaska, with the rest spread across the rest of the United States and several U.S. territories.

National wildlife refuges play a vital role in preserving endangered and threatened species. Approximately one-fourth of the currently listed threatened and endangered species in the United States occur on refuges. Approximately 400 refuges are used by endangered species and portions of 51 are designated as critical habitat.

FY 1994 FWS Budget Authority
(\$ In millions)



Total DOI Budget Authority - \$9,663

The FWS manages 504 national wildlife refuges and 32 wetland management districts with waterfowl production areas in 180 counties. In addition, FWS is responsible for migratory bird management, endangered species protection, law enforcement and consultation on water resource and other federal development projects.

The National Wildlife Refuge System: The National Wildlife Refuge System is the world's largest and most diverse collection of lands set aside specifically for wildlife. The refuge system began in 1903 when President Theodore Roosevelt designated 3-acre Pelican Island, a pelican and heron rookery in Florida, as a bird sanctuary.

National wildlife refuges offer the public a wide variety of recreational and educational opportunities. Many refuges have fishing and hunting programs, visitor centers, wildlife trails, and environmental education programs. Nationwide, some 25 million visitors annually hunt, fish, observe, and photograph wildlife or participate in interpretive activities on refuges.

Partnerships - Key to the Future: The Fish and Wildlife Service is reaching out to form partnerships with farmers and ranchers, state and federal agencies, Native American Tribes, corporations, conservation groups, and citizen volunteers. Working together is the key to conserving our country's important remaining wildlife habitats -- many of which are privately owned -- and to maintaining our nation's rich abundance of fish and wildlife species as we move toward the 21st century.

For example, through the Partners for Wildlife Program, the FWS provides technical and financial assistance to private landowners who want to restore valuable wildlife habitat -- primarily wetlands, riparian areas, and native prairie -- on their property.

In return, the landowners manage their lands in a

Birds are Big Business

In comparison to the \$5.8 billion spent for movie tickets and \$5.9 billion for tickets to sporting events such as football, baseball and basketball, Americans each year spend over \$5.2 billion on birding and birdwatching. For wild birdseed alone, Americans spend an astonishing \$2 billion a year. Annually, an estimated 200,000 jobs are supported by birdwatching. In total, Americans spend an estimated \$18.1 billion each year to watch wildlife.

All indications are the birdwatching and -feeding hobby is growing fast. The number of specialty stores selling wild birdseed, feeders, and equipment has exploded in recent years, along with subscriptions to birdwatching magazines.

National wildlife refuges attract ecotourist dollars for local businesses. The estimated economic impact in 1994 of visitors on the surrounding communities ranges from over a half-million to several millions of dollars, including lodging (motels, campsites), meals, gasoline and ancillary purchases. Annually, 28 to 30 million people visit National Wildlife Refuges.

manner that will best protect wildlife. This program has been tremendously popular with private landowners. Since 1987, the FWS has developed partnerships with over 14,000 landowners and has restored over 230,000 acres of wetlands.

Saving Endangered Species: The decline of fish and wildlife populations is a warning signal that the environment may be in jeopardy. One of the major functions of the Fish and Wildlife Service is the identification and recovery of endangered species -- those that are in danger of extinction. The Service leads the federal effort to protect and restore animals and plants that are in danger of extinction both in the United States and worldwide.

The Service works with other Federal and state

agencies, university scientists, and others to identify vulnerable species and take proactive measures to keep them from declining to the point where they need listing as endangered. For those species that require listing, the Service helps identify and carry out recovery actions to rebuild their populations. The Service consults with other Federal agencies to avoid impacts to endangered species. Of more than 94,000 such consultations carried out from 1987-1992, only 54 projects or activities were eventually withdrawn or terminated due to endangered species concerns. The Service also works with private landowners to develop "habitat conservation plans" that accommodate the landowner's desire to develop with the conservation needs of listed species.

Enforcing Wildlife Laws: The Fish and Wildlife Service employs about 200 special agents

Recovery Program for Endangered and Threatened Species

The goal of the endangered species program is to restore species to the point where they are no longer endangered or threatened. The process, called "recovery," aims at reestablishing secure, self-sustaining wild populations. When this aim has been achieved, the species may be removed from the list of endangered and threatened animals and plants.

The key to effective recovery programs is coordination among federal, state and local agencies, academic researchers, conservation organizations, private individuals and major land users. In its role as coordinator of the recovery process, the U.S. Fish and Wildlife Service must emphasize cooperation and teamwork among all the involved parties. Public participation in reviewing plans and implementing recovery actions is encouraged.

Recovering an endangered species can be challenging. Sometimes the causes of a species' decline are not well understood and must be researched. Some species have declined to very low population numbers or reproduce slowly, while others face multiple threats. Nevertheless, the Endangered Species Program has succeeded in stabilizing and recovering highly vulnerable species.

To date, eleven species have been recovered throughout all or significant portions of their range, and 18 others have been downlisted from endangered to the less dire category of "threatened." Some 38 percent of all species now on the list are either stable or improving, critical important steps on the road to recovery.

and wildlife inspectors who enforce federal wildlife laws protecting endangered species, migratory birds, and marine mammals, as well as laws that prohibit interstate commerce in species protected by state laws. Special agents investigate cases ranging from individual migratory bird hunting violations to large-scale poaching and commercial trade in protected wildlife.

Restoring Fisheries: Restoring nationally significant fisheries that have been depleted by overfishing, pollution, or other habitat damage is a major effort of the Fish and Wildlife Service. Currently, Service fishery specialists are devoting



Marshes, swamps, potholes, and other wetlands support more wildlife species than any other habitat types. They also help control floods, recharge groundwater, and cleanse pollutants from groundwater supplies. More than 4 million acres of wetlands in the National Wildlife Refuge System have been acquired through the Service's Federal Duck Stamp Program. All waterfowl hunters must buy a Duck Stamp each year; however, many other people who wish to contribute to wildlife and habitat conservation also buy Duck Stamps. Out of each \$15 Duck Stamp, \$14.70 goes directly to buy wetlands for the National Wildlife Refuge System. Since the program began in 1934, more than \$450 million worth of Duck Stamps have been sold.

much of their efforts to helping four important species -- the lake trout in the upper Great Lakes; the striped bass of the Chesapeake Bay region and the Gulf Coast; the Atlantic salmon of New England; and the major salmonid species (chinook, coho, and steelhead) of the Pacific Northwest. As part of this program, nearly 80 national fish

hatcheries produce some 60 species of fish. The Service stocks more than 200 million fish annually. Through the Recreational Fisheries Stewardship Initiative, the Service is working to strengthen the partnership among state, federal, and tribal governments, the fishing industry, and private fishery conservation groups to conserve and enhance the nation's recreational fisheries.

Federal Aid: Two laws administered by the Fish and Wildlife Service -- the Federal Aid in Wildlife Restoration Act and the Federal Aid in Sport Fisheries Restoration Act -- have created some of the most successful programs in the history of fish

and wildlife conservation. With money raised from federal excise taxes on sporting arms and ammunition, archery equipment, sport fishing tackle, and motor boat fuels, these programs provide federal grant money to support specific projects carried out by state fish and wildlife agencies. Through the taxes paid on hunting and fishing equipment, American sportsmen and women have provided more than \$2 billion for these conservation programs since they first began.

The wildlife program, since 1939, has succeeded in restoring many species that were in danger of

vanishing in the early 1900s, such as the white-tailed deer, black bear, and wild turkey. The fish program, in operation since 1952, has provided millions of Americans with angling opportunities by enhancing populations of such species as rainbow trout, channel catfish, and largemouth bass.



Bureau of Land Management

The public domain, lands owned by the Federal Government, once stretched from the Appalachian Mountains to the Pacific Ocean. Of the 1.8 billion acres of public land originally acquired by the United States, two-thirds went to individuals, industries and the states. Of that remaining, much was set aside for national forests, wildlife refuges, national parks and monuments, and other public purposes.

The Bureau of Land Management (BLM) today administers what remains of the nation's once vast land holdings, approximately 272 million acres - about one-eighth of the nation. The Bureau of Land Management is charged with sustaining the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

The customers of the Bureau of Land Management are as varied as the diverse natural resources it manages. BLM provides services to a wide array of public land users, including: the mineral extraction industry; utility companies that use public lands for communication sites and other rights-of-way; the livestock industry; the timber industry; persons or groups interested in conservation and resource protection; and research scientists.

opportunities that are unique in their diversity, quantity, and quality, including National Conservation Areas, over 2,000 miles of the Wild and Scenic River System, and about 1,700 miles of National Trails. In addition, BLM manages 85,000 miles of streams containing trout, salmon, and other sport fish, enough to circle the Earth three and one-half times; more than 4 million acres of lakes and reservoirs; more than 470 developed recreation sites; and thousands of areas open to a wide variety of recreational uses.

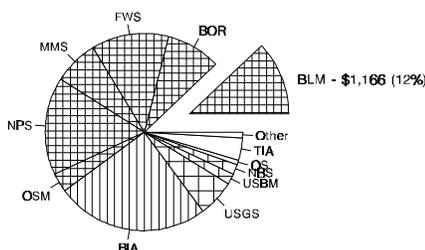
In 1994, recreational visits to public lands managed by BLM totaled over 58 million. BLM estimates that over 8.4 million hunting days are spent on the public land, 3 million visitor days are spent pursuing wildlife related activities such as bird watching, photography, and wildlife viewing, and over 7 million angler days are spent on BLM waters.

Lands and Renewable Resources Programs:

In addition, under BLM's land management programs:

- ▶ BLM manages livestock grazing on 165 million acres of public lands. About 18,800 ranchers and farmers graze livestock on BLM-administered lands. About 90 percent of these permittees have small (less than 100 head) or medium (100 to 500 head) livestock operations.
- ▶ BLM manages wildlife habitat for more than 3,000 species, including 140 threatened or endangered plant and animal species. BLM manages habitat for one out of every five big game animals in the United States, including caribou, brown and grizzly bears, desert bighorn sheep, moose, mule deer and antelope.

FY 1994 BLM Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663

The Public Lands also offer recreational

and timber fees and other fees for a total of about \$1.3 billion. Oil and gas royalties are collected by the Minerals Management Service acting as agent for the Federal Government. Production from Federal coal leases amounts to over 245 million tons which generates about \$300 million in Federal royalties; 50 percent of this is returned to the states. Major producers include Wyoming and Montana.

For many communities in the West, public lands continue to be the only source for sand, gravel, and other common stone, which are sold by BLM. The BLM also manages nonenergy minerals through leasing and mining claims programs. About 50 percent of the nation's potash, 45 percent of its sodium compounds, and 70 percent of its lead are produced from public lands.

Wildland Firefighting Programs: The Department's wildland firefighting programs are funded and coordinated through the BLM. The Department is committed to providing adequate and reliable funding for our wildland firefighting efforts. The Department works closely with the U.S. Forest Service, state, and local governments to

coordinate and prioritize this important mission. The Interagency Fire Coordination Center in Boise, Idaho, serves as the nerve center for this effort.

Forest Plan: BLM remains a key participant in the President's Forest Plan for the Pacific Northwest. A highlight of the plan is the unique Jobs in the Woods program which provides environmental benefits at the same time it provides much needed job and income opportunities for families with strong ties to the land and rural lifestyles. BLM estimates it will create 500 "full year jobs" in 1996 in hard-hit rural communities, primarily in western Oregon.

Payments in Lieu of Taxes: The BLM administers the Payments in Lieu of Taxes program which compensates local government units for losses to their real property tax base due to Federal lands within their boundaries. Payments received under the program may be used for any governmental purpose, including police and fire protection, school busing, or road maintenance.



Fog on Coos River in the Coos River Resource Area (Coos Bay District, Oregon).

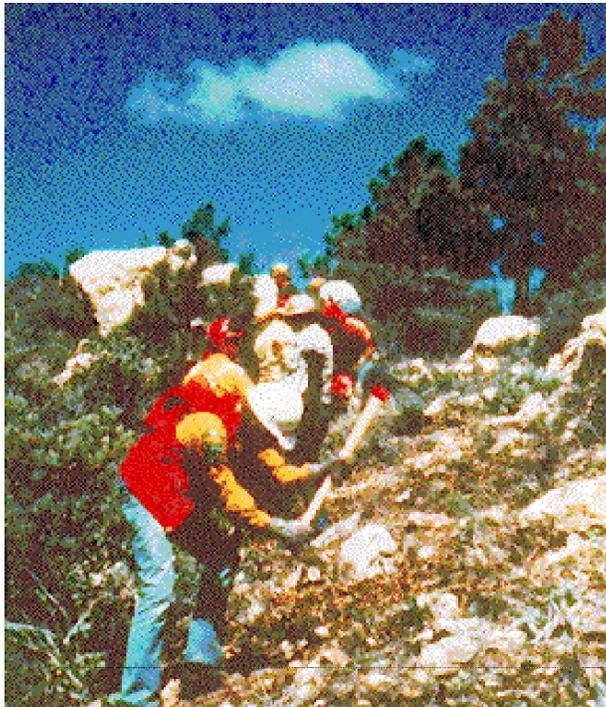
Wild Fire

Just north of Interstate 70 in the Colorado Rockies rise the now charred slopes of Storm King Mountain. There, at 4 p.m. on July 6, 1994, a wall of flame 300 feet high swept uphill, taking the lives of 14 fire fighters who stood in its path. The mountain seems an unlikely place for such a conflagration. Its unburned flanks are covered only with scraggly patches of pinion-juniper and Gambel oak, rooted in open expanses of red rock and dirt.

Across the entire Western landscape, from Mexico to the Canadian border, scrub trees are taking over: junipers advance across lowland plains; doghair ponderosa fill gaps in the highland forests; spruce and fir crowd out aspen groves. The reason for this change is that we have systematically removed the natural flame. Just as we wiped out the wolf that preyed on weak, sick and overpopulated herds, we have eliminated the frequent, light-burning fire cycles that used to thin the forests of young trees, kill off the spreading juniper seedlings and hold brush in check. Paradoxically, as fire exclusion escalates, wildfires fight back with increasing ferocity. In the absence of fire, ground fuel accumulates and crowded forests become more susceptible to disease and insect damage. When lightning inevitably strikes, the odds are much higher that it will flare up faster, burn hotter and higher, crown into the big trees and decimate entire forests in what professionals call a "stand replacing fire." These intense, densely-fueled wildfires are also increasingly expensive, and unpredictable, to fight.

The only way to break this vicious cycle is to put controlled fire back onto the land. We must apply the torch to recreate the prehistoric cycles of light burning where ground fires moved swiftly across the land, consuming brush and accumulated ground fuel, pruning out thickets and maintaining healthy stands of forests. For many years the public has seen only the risks of fire, not the benefits. When a million acres of Yellowstone burned in 1988, the initial public response was highly negative. But when visitors saw the miraculous cycle of renewal -- purple fields of blooming fireweed and slopes greening with lodgepole seedlings -- attitudes began to change. Yellowstone taught us -- in a most spectacular and instructive setting -- that fires are a natural and necessary part of the ecological succession.

A comprehensive movement that puts prescribed fire back onto the landscape, that increases the health and productivity of the land, and that reduces the risks and destruction of wildfires that do occur, would be a lasting memorial to the brave firefighters who lost their lives during the summer of 1994.



BLM fire crew clearing Chapparal for fire break before a prescribed burn (Hualapai Mountains, Kingman, Arizona).

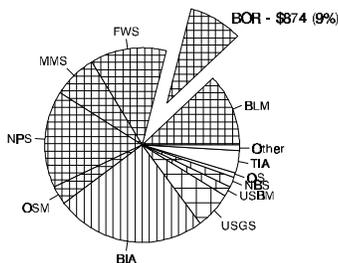


Bureau of Reclamation

The Bureau of Reclamation's water projects have contributed to sustained economic growth and an enhanced quality of life in the Western United States. Reclamation's name is derived from its original mission, chartered in 1902, to reclaim the arid lands of the western United States for farming by providing a secure, year-round supply of water for irrigation.

Today, the mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. Reclamation activities focus on improved management of existing facilities and protection of associated natural resources in response to greater environmental awareness, increased competition for scarce water resources, and fiscal constraints.

FY 1994 BOR Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663

Although Reclamation is best known for its great dams and powerplants, among them Grand Coulee Dam on the Columbia River and Hoover Dam on the Colorado River, the era of large federally constructed water projects is coming to an end. Construction underway on large traditional projects will soon be completed, and new construction is likely to occur only in small increments, narrowly targeted to meet limited and well-defined objectives. Reclamation is instead concentrating on using partnerships and non-structural solutions

to improve water and related resource management.

Reclamation's water projects produce numerous benefits, including irrigation and municipal and industrial water supplies, hydroelectric power, recreation opportunities, and fish and wildlife habitat.

Water: Reclamation is the largest supplier and manager of water resources in the 17 Western States, delivering approximately 30 million acre feet of water annually to 30 million people for agricultural, municipal, industrial, and domestic uses. Through its dams and reservoirs, Reclamation also helps reduce the impact of the destructive cycle of floods and droughts.

Hydroelectric Power: The Nation's second largest producer of hydroelectric power, Reclamation's 56 powerplants generate nearly a billion dollars in annual power revenues. The power generated is enough to serve 6 million homes.

Recreation: Reclamation's multipurpose projects provide recreation opportunities for over 70 million visitors annually. The visitors at over 300 Reclamation recreation areas enjoy fishing, swimming, picnicking, and sightseeing. The reservoir shorelines and newly created wetlands also provide valuable habitat for fish, waterfowl, and other wildlife -- including many endangered species.

In order to ensure the effective and efficient management of water and related resources, Reclamation activities are focused on both traditional and contemporary program priorities:

Operation and Maintenance: Reclamation's infrastructure maintenance and resources management and protection activities are the major components of its Operation and Maintenance

(O&M) Program. This program provides for the effective and responsive management and protection of water, land, and related resources through the operation and maintenance of over 1,200 Reclamation facilities (dams, powerplants, canals, etc.).

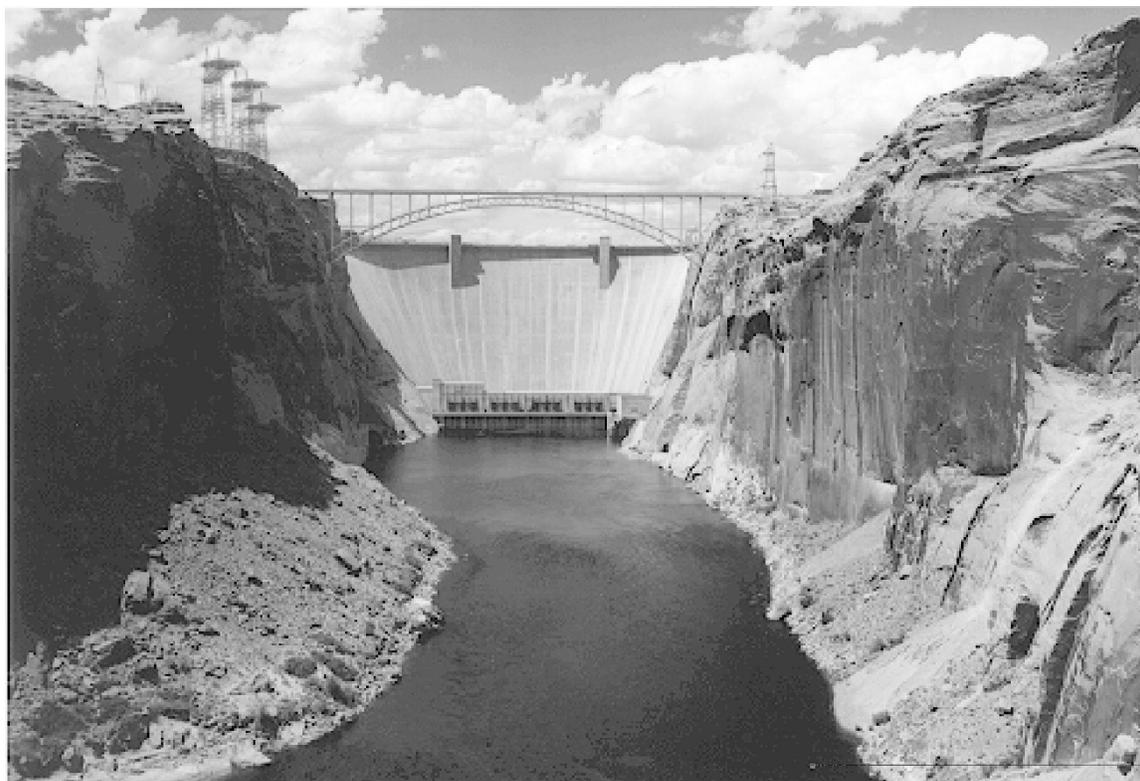
Dam Safety: The Safety of Dams activity was born out of concern in the late 1970s over risks posed by the Nation's aging dams. In addition to ensuring that Reclamation dams are maintained in a safe condition, the Safety of Dams activity promotes public safety and welfare, and protects property, the environment, and cultural resources downstream from Reclamation projects.

Water Conservation: In addition to its commitment to protect and enhance water resources, Reclamation places an equally high priority on water conservation. The Reclamation has established water conservation centers in each of its five regional offices and launched a host of water conservation projects throughout the West, providing both technical and financial assistance.

Native American Responsibilities:

Reclamation strongly supports the self-determination and self-sufficiency of Native Americans. Through its Indian Trust Asset Policy and other agreements, the Reclamation has committed to carry out its activities in a manner that protects Indian Trust Assets and avoids or compensates for adverse impacts. Reclamation is also working with tribes to establish educational and technical programs.

In the future, Reclamation will increasingly pursue partnership opportunities with water users and other Federal and non-Federal entities to cooperatively solve resource management issues. Reclamation will also continue to transfer the operation and maintenance of many of its completed facilities to water users, and explore opportunities for transferring the title to those facilities for which there is no major Federal interest. Reclamation's programs will continually evolve as it strives to most effectively manage the Nation's limited water resources and meet the needs of all water users.



Looking upstream at Glen Canyon Dam and Powerplant.



Office of Surface Mining Reclamation and Enforcement

Created with the passage of the Surface Mining Control and Reclamation Act of 1977, the Office of Surface Mining Reclamation and Enforcement (OSM) is charged with a dual mission:

First, through its Regulation and Technology program, OSM seeks to ensure that active coal mines are operated in a manner that protects citizens and the environment during mining and ensures that the land is restored to beneficial use when mining operations are completed.

Second, through the Abandoned Mine Land program, OSM protects public health, safety and general welfare by correcting problems associated with past mining practices. These problems include underground fires, subsidence, landslides, highwalls, open shafts and acid mine drainage.

OSM's philosophy of shared commitment working with States and Indian Tribes to serve its primary customers - citizens of the coalfields. A large part of the OSM mission is carried out through grants to States and Tribes. The Regulation and Technology program provides grants to 24 primacy States and operates direct programs with three additional States and three Indian Tribes.

Abandoned Mine Land Program: Under the Surface Mining Control and Reclamation Act of 1977 (SMCRA), OSM collects excise taxes on coal production, and uses these monies to fund the reclamation and restoration of land and water resources adversely affected by past mining.

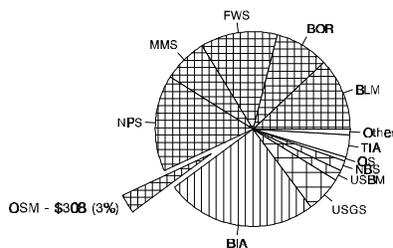
Through 1994, a total of \$3.8 billion has been collected and deposited into the Abandoned Mine Land (AML) Fund. Since 1977, approximately 79,000 acres of damaged lands have been funded or reclaimed. Over 50,000 acres of high priority problems and an additional 120,000 acres of known lower priority environmental problems remain unreclaimed.

Other important health, safety and general welfare problems that have been remedied by OSM include over 200 miles of clogged streams restored, 3,500 vertical openings and over 7,400 portals closed, and nearly 1.5 million feet of dangerous highwall eliminated. These figures compare with a remaining 442 miles of clogged streams, over 2,600 vertical openings, 5,600 portals and 4.2 million feet of dangerous highwall that still need to be reclaimed.

Appalachian Clean Stream Initiative: One of the most challenging problems OSM faces is acid mine drainage. Acid drainage is water containing acidity, iron, manganese, aluminum, and other metals. Acid mine drainage is caused by the exposing of coal and bedrock high in pyrite (iron-sulfide) to oxygen and moisture as a result of surface or underground mining operations. In sufficient quantity, iron hydroxide and sulfuric acid, a result of chemical and biological reactions, may eventually contaminate surface and ground water.

In some parts of Appalachia, acid drainage flowing from abandoned coal mines has caused pollution so severe that plant and animal life in many streams cannot survive. The Environmental Protection Agency has singled out acid drainage from abandoned coal mines as the number one water

FY 1994 OSM Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663



Before reclamation a former uranium mine near Gas Hills, Wyoming, was characterized by slumping highwalls, polluted water, and radioactive waste.

quality problem in Appalachia. Many of these problems are the result of coal production that helped build America's strong industrial base and fueled our war efforts during World Wars I and II, many years ago.

Although stream pollution from acid drainage has been recognized as a major problem in the eastern United States for decades, the Appalachian Clean Streams Initiative, introduced in 1994, is the first coordinated effort with a primary focus of eliminating acid drainage. This initiative is a multi-agency effort involving federal, state, and local governments in cooperation with citizens, corporations, and universities to clean up acid mine drainage in Appalachia.

The most common method used to eliminate acid drainage from abandoned underground mines is chemical treatment, which is expensive and requires constant maintenance.



Reclamation of this 200-acre steep-slope contour mine in eastern Kentucky shows the purpose of the Surface Mining Control and Reclamation Act.

A second treatment method, still experimental but much less expensive, is called biological control. This new technology, developed by the U.S. Bureau of Mines, diverts the flow of acid drainage through artificial or man-made wetlands. Biological processes remove excess acidity and iron from the acid drainage before it leaves the wetlands. Biological treatment is relatively inexpensive to construct and has been very successful on some small discharges of acid drainage. Another experimental method that shows promise uses alkaline waste products from co-generation power plants to fill underground mines. Filling the mine voids with this material should eliminate future production of acid drainage.

Acid drainage has had a devastating impact on people's lives and the vitality of the local economies. The benefits of cleaning up the rivers and streams can be clearly observed. One goal of the clean-up of acid drainage is the benefit for local economies arising from the tourism and outdoor recreational activities -- hiking, camping, fishing, and boating -- brought back by clean streams.



Minerals Management Service

The Minerals Management Service (MMS) was formed to correct longstanding weaknesses in the Nation's mineral revenue collection efforts and the management of its Outer Continental Shelf offshore lands.

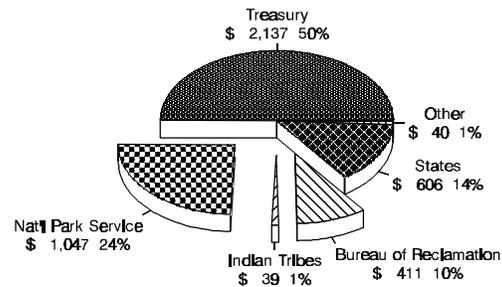
The primary responsibilities of the Minerals Management Service are to manage the mineral resources located on the Nation's Outer Continental Shelf, collect revenue from the Federal Outer Continental Shelf and onshore Federal and Indian lands, and distribute those revenues.

In working to meet its responsibilities, the Offshore Minerals Management Program administers the outer continental shelf competitive leasing program and oversees the safe and environmentally sound exploration and production of our nation's offshore natural gas, oil and other mineral resources.

The MMS Royalty Management Program meets its responsibilities by ensuring the efficient, timely and accurate collection and disbursement of revenue from mineral leasing and production due to Indian tribes and allottees, States and the U.S. Treasury.

MMS administers 27 million acres of offshore Federal leases which supply over 25 percent of the natural gas produced in the United States and over 12 percent of its oil.

1994 Transfers of Royalty Collections by Recipient
(\$ in millions)



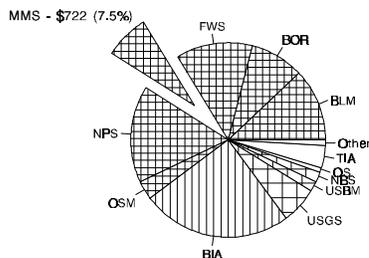
Total Transfers - \$4,280 million

MMS serves the U.S. taxpayer by assuring the accurate and timely collection of rents, royalties, and bonuses from leasable minerals from offshore and onshore Federal lands. This effort directly reduces the Federal deficit and offsets expenses of other Federal agencies by approximately \$2 to 3 billion per year, provides approximately \$1 billion per year to the Land and Water Conservation and Historic Preservation Funds, as well as provides over \$500 million a year in payments to States.

The Minerals Management Service strives to fulfill its responsibilities through the general guiding principles of:

- (1) responsiveness to the public's concerns and interests by maintaining a dialogue with all potentially affected parties; and
- (2) an emphasis, when carrying out its programs, on working to enhance the quality of life for all Americans by lending MMS assistance and expertise to economic development and environmental protection.

FY 1994 MMS Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663

The Minerals Management Service is a small bureau with activities of national significance which provide benefits to States and localities.

Science

Each science agency is to America what a CAT-Scan is to a patient. Both examine the living body in a way that is painless, safe, essential and non-invasive. They diagnose problems early, quickly, accurately, and impartially, and then allow decision makers to act on the data they provide. Without them, decision makers would have to resort to old-fashioned, expensive, and risky



Researchers from the U.S. Bureau of Mines and the Maryland State Government inspect a manmade wetland, designed by the Bureau to keep acid-mine drainage from polluting nearby rivers and streams.

judgement calls like "exploratory surgery."

Conflicting Missions and the Need for Science

We are now at a moment of transition for American resource management. We are finally both ready and able to use the best tools of modern science to call forth a very different vision for the future. It is a vision that says we need not choose between economic growth and environmental protection - one living at the expense of the other.

From its inception, the Department of the Interior has been charged with a conflicting mission. One set of statutes demands that the Department must

develop America's lands, that we get our trees, water, oil and minerals out into the marketplace. Yet an opposing set of laws orders us to conserve these same resources, to preserve them for the long-term, and to consider the non-commodity values of our public landscape.

What we're learning, thanks to modern biology and a more reasoned and thoughtful understanding of the landscape, is that we cannot protect the splendor and biological diversity of the natural world by simply fencing off a few protected areas within an overall landscape of exploitation. The lands we manage simply do not fit into neat compartments. For example, Everglades National Park is dying because forces outside the park are affecting the hydrological flows so essential to the ecological health of the Everglades. Likewise, migratory wildlife doesn't stay within the boundaries. Some birds migrate across the North American continent and some, like the Arctic tern and a few of the plovers, all the way down to the tip of South America.

Resolving the dichotomy between rapid exploitation and long-term protection demands the use of science -- interdisciplinary science -- as the primary basis for land management decisions.

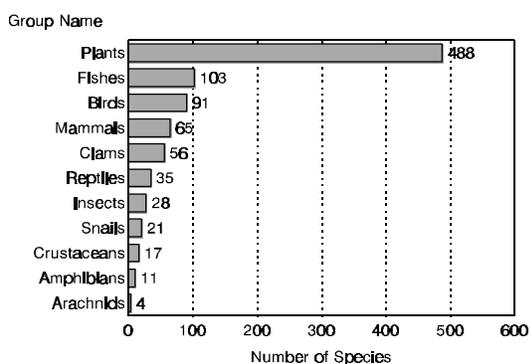
For example, the Pacific Northwest Forest Plan had to both protect the old growth forest system and avoid repeated crises in the future. Just as importantly, the plan had to address the economic future of timber dependent communities in Washington, Oregon and California. The Forest Plan provides biological diversity and sustainable economic activity across the entire landscape. The final landscape plan, mapped out by teams of scientists from myriad sources, and constructed bit-by-bit using modern geographic information technology, has no precedent on this scale. It marks the beginning of a new, "applied science of landscape conservation," using the tools of many sciences to find an acceptable balance between human communities and nature.

Recent indicators offer encouraging examples of how these measures are taking hold: the unemployment rate in Oregon is now at its lowest point in a generation.

Science and Regulation

The Department's science bureaus, U.S. Geological Survey, National Biological Service and the U.S. Bureau of Mines, respond to natural hazards, understand the complex biodiversity of the Nation's fish and wildlife, and find new ways to treat past abuses of public lands in terms of hazardous wastes. These bureaus do not have land management or regulatory responsibilities. It is precisely because of

Number of U.S. Endangered & Threatened Species



this that they can provide objective earth science and biological information from an unbiased, national perspective -- information that is trusted and depended upon by decision makers in the private and public sectors. Rigorously established standards are consistently applied to the generation of data, including both sample collection and analysis. The data are maintained in easily accessible data bases.

Some feel that government scientists, being human, are sometimes biased toward the attitudes of regulators who supervise them. The best way to counter any such inclination is quite simple: keep scientific research a step removed from the regulatory process. That is what we have done at the Interior Department; this was the rationale for

creating the National Biological Service and insulating it from regulatory bureaus.



U.S. Fish and Wildlife Service Director Mollie Beattie releases "Hope", a Bald Eagle rehabilitated after suffering a broken wing. The release of "Hope" at Blackwater National Wildlife Refuge in Cambridge, Maryland marked the Service's July 1994 proposal to reclassify most of the country's Bald Eagles from endangered to threatened.

In addition, science must be subject to peer review. The Interior Department is working to establish a stronger tradition of peer review for government research, in the best traditions of American science. Outside peer review has long been an integral part of the work of the Geological Survey, and is now being emphasized more and more at the Bureau of Mines and the National Biological Service.

The science bureaus of the Department save the nation far more money than they cost. The National Biological Service costs each American 5 cents per month. The U.S. Bureau of mines costs another nickel. The U.S. Geological Survey costs 17 cents per month. For less than the cost of a pack of gum, Americans invest an ounce of prevention toward safer homes, roads and buildings, cheaper minerals and insurance, cleaner water, air and soil, and healthier populations of plants and animals.



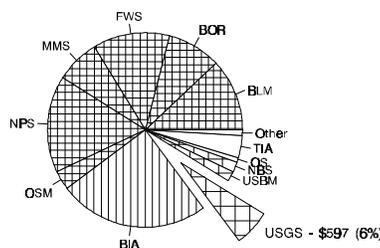
U.S. Geological Survey

America faces and will continue to face critical questions about our natural resources: How much land, water, energy and minerals are available to us as a nation? How can we plan for, prepare for or prevent natural hazards like floods and fires, earthquakes and volcanos, tornados and hurricanes? The Geological Survey was formed to provide impartial, scientific information to help our nation answer these questions.

In 1879, an act of Congress established the United States Geological Survey (USGS). Its initial charge was the "classification of public lands, and the examination of the geological structure, mineral resources, and products of the National domain."

In the ensuing 116 years, USGS has expanded, adapted, and consolidated its programs to respond to the Nation's need for credible, unbiased scientific information that is readily available to the public and private sectors to enable them to carry out their land and resource management responsibilities.

FY 1994 USGS Budget Authority (\$ in millions)



Total DOI Budget Authority - \$9,663

The Geological Survey is now the federal government's largest civilian mapmaking agency, the primary source of data on the nation's water resources, and the research coordinator for the nation's top earth science professionals.

Emergency Response: The Geological Survey

"The value of [the USGS] to the bay area and earthquake-prone California is virtually immeasurable. Its highly professional research...is not the kind of long range science that can expect to attract private investment. Yet it's exactly the kind of science that saves lives.... The fundamental issues of public safety are clearly the proper province of the Federal government. The crucial scientific role that has been carried out with quiet competence for so long by the USGS must be fully protected, in the interest of all of us."

Los Angeles Times, January 1995

works with local, State, and national emergency management agencies during earthquakes, volcanic eruptions, landslides, floods, and hurricanes. For many impending natural disasters, such as floods and volcanic eruptions, USGS provides advance information to emergency management agencies so that warnings can be made.

Within hours of the declaration of emergency after hurricane Andrew, the Geological Survey had maps in the hands of planners and emergency coordinators, letting them focus on the hardest hit areas first. With approximately 9,700 employees located throughout the United States, USGS provides timely and unified topographic, geologic and hydrologic information in response to natural disasters.

Since November of 1993, USGS has directed the interagency Scientific Assessment and Strategy Team (SAST), which was established by the White House to provide scientific advice to policy makers in response to the 1993 floods in the upper Mississippi River basin. Intense efforts by the team resulted in the development of a large digital geographic data base available for multiple planning uses, a preliminary analysis on the interrelations of hydrology, geomorphology, and ecology with flooding, and information and map data to be used in policy analysis and decision making. The preliminary results of the team's efforts have been made available to the public in the document *Science for Floodplain Management into the 21st Century*. A

clearinghouse has been developed for the data base, which is accessible over the Internet via the SAST home page. The team's continuing activities include publishing background information and final research results in a series of documents and maps. The project is considered to be a model for interagency cooperation and coordination.

Minimizing Earthquake Damage: The U.S. experiences 8 to 10 significant, potentially damaging earthquakes each year. Urban planners and engineers use USGS seismic safety data to develop stronger building codes and structural design. In addition, the U.S. has 1,800 seismic stations in 38 seismic networks, 40 percent of which comes from USGS.

Volcanic Disasters Averted: In June 1991 at Mount Pinatubo (Philippines), this century's second largest volcanic eruption would have killed tens of thousands of people were it not for quick work by the USGS. More than 65,000 people were evacuated before the eruption, including 14,500



USGS and Filipino scientists verify operation of a mudflow-detection at Mount Pinatubo.

Americans. Hundreds of millions of dollars worth of U.S. military aircraft were evacuated just before eruption.

There are 65 potentially active volcanoes in the western U.S. and Alaska, causing high altitude volcanic ash clouds that are a direct hazard to aircraft. Several eruptions of Redoubt Volcano during 1989-90, caused \$100 million in damage and lost revenue. To reduce the future hazard of ash to the aircraft industry, USGS scientists now geophysically monitor the Alaskan volcanoes closest to Anchorage. As a result, three Spurr Volcano



Strong shaking from the Northridge earthquake collapsed this parking structure on the campus of the California State University at Northridge. Because the earthquake occurred at 4:30 a.m., no people were in the structure.

eruptions in 1992 caused no damage to aircraft at all.

Mapping and Geospatial Data: The USGS is perhaps most widely known for its mapping capabilities. In fact, almost every United States citizen, over the course of his or her lifetime, will come into direct contact with some form of a USGS quadrangle map. USGS works with other Federal, state, academic and private cartographic agencies to ensure that new data are readily available and that the data are collected according to national standards. This ensures that the data are usable and adaptable for multiple purposes, thereby avoiding duplication of effort and saving taxpayers and the economy millions of dollars each year. The focus of USGS Mapping programs is rapidly changing from producing maps to ensuring the availability of spatial data and coordinating spatial data standards among Federal, state and local agencies.

Geology: The Congress chartered USGS as an agency staffed with geologists to survey the new Nation's vast expanses. Today, the geological component of the Geological Survey remains at the forefront of geological research both on land and at sea. In concert with State geology agencies, USGS provides geologic data to support public policy decisions of State and local officials such as highway location, building reinforcement codes in earthquake-prone areas, and selection of landfill sites.

Water Resources: One of the fastest-growing

activities within USGS is its program of water-resource evaluations. Local studies of water quality and quantity feed into a larger aggregation of data which characterizes the Nation's water supply. Over 7,200 streamgaging stations throughout the country provide a constantly updated data base to local managers to assist them in flood forecasting and water management. Other studies provide information on non-point source water pollution, contamination of ground water, and the availability of surface and ground water for various uses.

The USGS Federal-State Cooperative Water Resources program is unique in that State and local agencies provide funds to match USGS Federal appropriations, and USGS does the work. Typically

the program is oversubscribed, resulting in the States offering up to 40 percent more funds than USGS can match. In 1995, more than 1,100 cooperative agencies will be participating in the program.

Cooperative Program investigations are designed to meet State and local needs that also address national issues. Through the pooling of resources, USGS is able to conduct studies that lead to an improved understanding of the Nation's water resources to the mutual benefit of all levels of government -- at substantial savings.

U.S. Geological Survey: The Face of the U.S. Seafloor

The charter of the U.S. Geological Survey (USGS) places with it the primary responsibility for mapping territories of the United States. In 1983, President Reagan signed the Proclamation declaring the Exclusive Economic Zone (EEZ) of the United States extending the sovereign territory of the nation from the coastline to 200 nautical miles offshore. With this one action, the territory of the United States was enlarged by more than 13 million square kilometers, all of which are under water. The USGS program to systematically map the entire 13 million square kilometers began in 1984 and is expected to be completed by the end of the century.

The challenges encountered in mapping the seafloor thousands of meters beneath the sea surface are similar to the challenges of mapping the Moon or Mars. The marine environment is hostile, the tools rely on remote sensing, and mapping requires geological intuition, imagination, and experience. Reconnaissance views of the seafloor, however, will allow the next generation of scientists to concentrate on those critical areas that will provide the keys to understanding the geology and geological processes of the ocean floor.

GLORIA (Geologic Long Range Inclined ASDIC) is an electronic mapping system built by the Institute of Oceanographic Sciences in the United Kingdom and selected by the Geological Survey specifically to conduct surveys of the EEZ, producing digital image maps of the seafloor from reflected sound waves..

As GLORIA surveys provide a road map of the ocean floor, Geological Survey scientists correlate mosaics of sonar images with existing geological information. Geological Survey scientists have learned from GLORIA mapping in the Gulf of Mexico that models for sediment dispersal on the Mississippi fan, models that are used by industry to explore for oil and gas, must be revised.

GLORIA mapping, with its technology enhancements, has significant application to earthquake prediction, fisheries, communications, pipelines, drilling, military, shipping, commerce, and technology advancement.



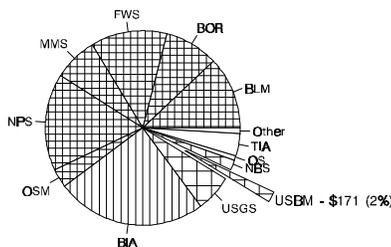
U.S. Bureau of Mines

Most Americans have never seen a mine or mineral processing plant. Yet minerals are very much a part of our lives. Minerals and the things produced from them underlie every enterprise of modern society. Hundreds of the things we do each day - from driving a car to opening a can of soup - depend on products made from minerals.

Each American now consumes 40,000 pounds of new minerals every year. The average newborn citizen will use more than 1,050 pounds of lead, 1,050 pounds of zinc, 1,750 pounds of copper, 4,550 pounds of aluminum, 91,000 pounds of iron and steel, 360,500 pounds of coal, and more than a million pounds of stone, sand, gravel, cement, and clay over the course of his or her lifetime.

Helping the Nation to use these resources in a safer, less wasteful, and environmentally sound manner is the mission of the Interior Department's U.S. Bureau of Mines (USBM).

FY 1994 USBM Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663

Founded in 1910, the USBM conducts research and collects information concerning almost every activity involved in recovering minerals from the earth, making them into useful products, and recycling materials for future use.

The USBM is viewed both nationally and internationally as the focal point for new and emerging science and technology in the minerals

field. Since entering competition in 1978, the Bureau has won 34 "R&D 100" Awards, given annually by Research & Development magazine for the 100 most important research innovations of the year.

The Bureau's research program develops technologies to help protect the health and safety of workers in the minerals industries, clean up waste and pollution from past mining and mineral processing activity, and find better ways to minimize waste and pollution in current and future mining activity. In addition, the Bureau is the Federal agency responsible for the collection and dissemination of the national supply and demand data for the minerals-related sector of the economy.

Health and Safety Research: USBM health and safety research has resulted in significant declines in on-the-job injuries to mine workers. Among the results of USBM successes:

- Fire suppression systems and technology to control the levels of methane gas and explosive dust, both developed by the USBM, are in common use in mines today. These technologies contributed to an 82 percent decrease in coal mine fatalities between 1965 and 1993. Emergency breathing devices developed by the USBM are used in every underground mine in the Nation. When fires, explosions, and other emergencies occur, these devices save lives by providing breathable air to allow miners to escape oxygen-poor or smoke-filled tunnels.
- USBM ventilation and dust-suppression techniques and more sensitive dust-measurement instruments have lowered the levels of respirable dust exposure for underground miners fourfold over the past decade. Even so, respirable dust remains the number-one health risk facing mine workers today.
- USBM ground control research has provided technology that improved support techniques, analyzed the geologic factors contributing to ground failures, and developed roof monitoring methods. This contributed to a more than 50

percent reduction in roof-fall fatalities from 1989 to 1994.

There are hundreds of thousands of inactive and abandoned mines on public lands. Since there are few or no private parties responsible for these sites, the potential public liability is enormous. The Bureau is assisting Federal land managing agencies with inventorying these sites and determining steps necessary to remove hazards to the public.

Environmental Research: The Bureau's environmental research program is aimed at cost-effective solutions for alleviating environmental problems resulting from extractive processes. It also emphasizes the prevention of pollution before it occurs and the creation of technologies needed for long-term sustainable development. For example, USBM researchers have:

- formed a partnership with the Bureau of Land Management and the U.S. Forest Service to develop and demonstrate the technology to prevent, control, or, if necessary, treat metal contamination and acidity resulting from past, present, and future hard rock mines. This is an enhanced effort designed to improve the stewardship of public lands.
- conducted, on behalf of the Interior Department, a study of a particularly difficult inactive mine reclamation site on an Indian reservation in the Pacific Northwest. Bureau researchers have conducted process field trials of two innovative systems for removal of uranium/radium from impounded waters, and they have provided the land management agencies with essential information on groundwater quality and flow, site radioactivity, and determinations of the suitability of on-site materials for site reclamation. As a result of the Bureau's work, the Department is able to proceed with the reclamation of this site that could otherwise adversely affect thousands of visitors each year.
- identified bacteria that clean up arsenic, one of the most difficult metals to remove from water; reduce selenium, a toxic contaminant found in mining wastes and agricultural runoff, and selectively recover metals from acid mine drainage and other waste water.
- developed and licensed tiny, porous beads, made

from peat moss and polymers, to extract dangerous concentrations of metal ions from industrial waste water and mine drainage.

- constructed more than 1,000 artificial wetlands to stabilize acid levels and remove contaminants from the waters passing through those marshes. This methodology provides a low-cost approach to environmental clean up of the thousands of miles of U.S. waters that are contaminated by heavy metal from acid mine drainage.
- provided the technological base for the Office of Surface Mining Reclamation and Enforcement's Appalachian Clean Streams Initiative.

Analysis of Information: In addition to its technological research, the Bureau collects, analyzes, and disseminates information about mining, processing, and using more than 100 mineral and inorganic commodities across the Nation and around the world.

USBM analysts study the impact of proposed mineral-related Federal and State legislation and regulations upon the national interest, especially in such areas as trade and the environment. They monitor international trade flows, such as those among nations participating in the North American Free Trade Agreement (NAFTA). Areas of study include potential compliance costs; technical feasibility; impacts on jobs, local economies, government revenues, and the environment, and the total flow of materials through the economy. The Bureau's international minerals-data collection has been acclaimed by many of its customers as being without peer in the world.

The USBM also produces timely and accurate statistics on every important mineral commodity produced in each of the United States, its territories, and more than 180 countries. These statistics are standard references for defense planners, government policy analysts, Federal trade negotiators, investment bankers, international loan officers, and commodity market analysts. Recently, the USBM expanded the availability of this information, giving public access to data through on-line bulletin boards, automated facsimile systems, Internet connections, and CD-ROM products.

USBM field engineers and minerals analysts work

closely with Federal land managers. The USBM helps these managers to meet higher analytic standards for permitting mineral operations in sensitive environmental areas, such as in Desert Tortoise Priority Habitat in California's West Mojave Desert and the headwaters of Montana's Yellowstone River, and to deal with impacts from past mining in watersheds, such as Nevada's Humboldt River basin.

With land managers increasingly taking a "landscape planning" approach to ensuring sustainable development and biological diversity in mineral-rich areas, the USBM is providing insight as to where future mineral production is likely to occur and estimating the likely environmental impacts and mitigating options. This information is becoming critical to land-use planning as land managers

consider cumulative environmental impacts of total economic activity within a landscape in providing for future natural resource development or use.

For 84 years, the U.S. Bureau of Mines has proven to be a world leader in developing technology and practices to protect workers' health and safety and to enable miners to extract minerals in a more efficient and environmentally responsible manner. Today, the USBM is taking much of that safe, efficient extractive technology and putting it to work cleaning our Nation's soils, lakes, wetlands, and streams. Minerals-based materials contribute \$360 billion per year to America's economy.



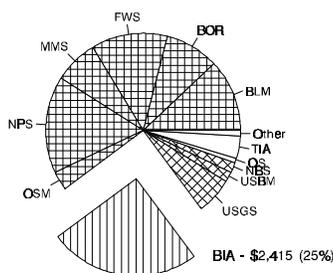
The emergency breathing devices, being tested here, were developed by the U.S. Bureau of Mines, and are used in every underground mine in the Nation. When fires, explosions, and other emergencies occur, these devices allow miners to escape oxygen-poor or smoke-filled tunnels.



Bureau of Indian Affairs

The Bureau of Indian Affairs (BIA) is the Federal agency with primary responsibility for working with Indian tribal governments and

FY 1994 BIA Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663

Alaska Native village communities. Other Federal agencies may deal with Indians or Alaska Natives as members of an ethnic group or as individuals, but the Bureau of Indian Affairs is distinctive in that it deals with them as governments, in a government-to-government relationship.

While the Federal trust obligation lies at the heart of this special relationship, the scope of the United States responsibilities to American Indians extends beyond basic trust obligations to include a wide range of Federal service obligations delivered in concert with the enhancement of Indian Self Determination.

The Bureau of Indian Affairs provides services to 550 Indian or Alaska Native tribal groups with diverse needs in the 48 contiguous United States and in Alaska. Tribes range in size from a few to about 165,000 members.

BIA and the tribes administer programs dealing with education; law enforcement; social services programs for children, families, the elderly, and the disabled; management of the forest, mineral, fishery and farmland resources on more than 56

million acres of trust land; maintenance of over 20 thousand miles of roads on rural and isolated reservations; and economic development programs on some of the more depressed areas in the United States. Indians and Alaska Natives who belong to Federally recognized tribes or communities and live on-or-near reservations constitute the BIA's service population.

The BIA has made significant personnel and administrative reductions and realignments to meet the goals of the National Performance Review and to actively promote Indian Self Determination. As a result, the BIA is more decentralized than most Federal entities with over 85 percent of the BIA



Navajo pottery.

workforce concentrated at the front line at the agency, school, or reservation level.

Indian Self Determination

The first goal of the Bureau is to encourage and support tribes in governing themselves and in providing needed programs and services on the reservations.

A key component of Self Determination is the ongoing Self Governance program, where Tribes exercise wider discretion over funds and the design of Tribal programs to meet local circumstance and need. The number of Self Governance Tribes is expected to increase to 50 by 1996. The

Department is also expanding the Self Governance program so that Tribes can elect to include eligible non-BIA programs in their compacts, further enhancing our government-to-government relationship with Tribes.

One of the principal programs of the Bureau of Indian Affairs is the administration and management of some 53 million acres of land held in trust by the United States for Indians. Developing forest lands, leasing mineral rights, directing agricultural programs and protecting water and land rights are included in this responsibility.

Educational programs, to supplement those provided by public and private schools, are also provided by the Bureau. The BIA funds 182 elementary and secondary Indian schools, many of them operated by tribes under contract with the Bureau. Other programs provide assistance for Indian college students; for vocational training; and for adult education.

Finally, the Bureau works with tribal governments to help provide a variety of local-government services. These include road construction and maintenance; social services; police protection; economic development efforts; and special assistance to develop governmental and administrative skills.

Assets Held in Trust

The Secretary of the Interior has responsibilities as fiduciary for over \$2 billion in tribal and individual Indian trust funds. This responsibility requires an even higher level of care than the traditional fiduciary. The Secretary is required to invest funds in the highest interest bearing securities allowed under law, while at the same time maintaining their safety.

The Department and the Bureau of Indian Affairs



Navajo park worker.

have been aggressively pursuing improvements in trust funds management over the past year, as well as improvements in the management of underlying ownership records and natural resources, in accordance with the Secretary's reform plan.

The Bureau of Indian Affairs has begun a comprehensive consultation process with individual Indians and Tribes on a proposed solution to one of the effects of the General Allotment Act. As allotted land held in trust has passed from generation to generation, ownership has often been divided among increasing numbers of heirs. It is not uncommon for as many as 100 to 300 individuals to hold undivided interests in a single allotment.

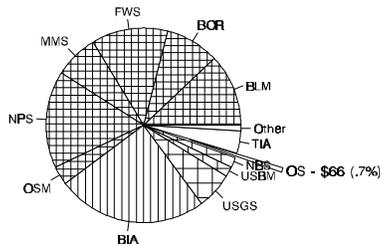
This fractionation has created an overwhelming administrative burden that has made trust fund management difficult. The proposal is aimed at alleviating this administrative burden; it would also improve the economic viability of trust lands. BIA would purchase highly fractionated interests in Indian lands. Given the extraordinary constraints on Federal spending, an integral part of the proposal is the recoupment of these acquisition costs. Consolidation of these fractional interests will do much to prevent the collapse of the Bureau's realty, land records, and accounting management systems that support its responsibilities as trustee of Indian lands.

Other Departmental Programs

Territorial and International Affairs

The Department of the Interior has administrative responsibility for coordinating Federal policy in the U.S. insular areas of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, as well as in the Trust Territory of the Pacific Islands. The department also has responsibility for oversight of all federal programs and funds in the freely associated states of the Republic of the Marshall Islands and the Federated States of Micronesia.

FY 1994 OS Budget Authority
(\$ in millions)



Total DOI Budget Authority - \$9,663

The basic objective of the Department's Territorial and International Affairs responsibility is to promote economic, social and political development which will lead to greater self-government, economic self-reliance, and the active participation of the people of these insular areas in the determination of their own future.

All the insular areas have popularly elected executive and legislative branches of government and are largely responsible for their own day-to-day administration. The Office of the Assistant Secretary for Territorial and International Affairs develops and implements the Federal budget for insular area activities; provides technical assistance to the insular area governments; and acts as coordinator within the Federal Government for the development and implementation of Federal policy for the islands.

This office also oversees and coordinates various international activities of the Department and supports

U.S. foreign policy by making available to other governments the Department's natural resources and environmental expertise.

Office of the Solicitor

The Office of the Solicitor provides legal advice and counsel to the various offices and bureaus within the Department. The Solicitor advises, represents, and assists the Secretary, his staff, and the bureaus and offices in accomplishing their statutory obligations and the goals of the Administration. Specific services include representation in administrative and judicial litigation, preparation of legal opinions, legal reviews of legislation, regulations, contracts, and other documents, and provision of informal legal counsel.

Accomplishments of the Office of the Solicitor during 1994 included providing critical advice and counsel on such Secretarial priorities as Indian Self-Determination and Self-Governance and National Park Service concessions reform, as well as significant litigation victories, including a strong reaffirmation of the Secretary's authority to protect public safety and the environment under the Surface Mining Reclamation and Control Act.

Office of the Inspector General

The Office of the Inspector General provides policy direction and conducts, supervises, and coordinates all audits, investigations, and other activities in the Department designed to promote economy and efficiency or prevent and detect fraud and abuse.

The Inspector General recommends policies for and conducts, supervises, or coordinates relations between the Department and other Federal, State, and local government agencies concerning matters that promote economy and efficiency, prevent and detect fraud and abuse, and identify and prosecute people involved in fraud or abuse.

In the insular areas of Guam, American Samoa, the Virgin Islands, the Commonwealth of Northern Mariana Islands, and the Trust Territory of the Pacific Islands (Palau), the Office of Inspector General performs the functions of government comptroller through audits of revenues and receipts and

expenditure of funds and property pursuant to the Insular Areas Act of 1982 (48 U.S.C. 1422).

The Office of Inspector General also reviews existing and proposed legislation and regulations, and makes recommendations to the Secretary and Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations and the prevention and detection of fraud and abuse in such programs; keeps the Secretary and the Congress fully informed about fraud, abuses, and deficiencies in Department programs and operations and other serious problems; and recommends corrective action and reports on the progress made in correcting problems.

Departmental Management

The Office of the Secretary of the Department discharges the authority of the Secretary for all phases of management and administrative activities and serves as a principal policy advisory to the Secretary.

Responsibilities of the Office of the Secretary include providing detailed and objective advice on program planning, budget, and policy matters; overseeing compliance with environmental statutes and standards; developing and maintaining internal administrative policy, standards, objectives, and procedures for use throughout the Department; overseeing the administrative appeals process; and undertaking special analytical and administrative support services for the Office of the Secretary.

Cash Management Improvement: The Department has an aggressive cash management program in place that focuses on both receipts and disbursements. To control disbursements in a timely and cost-effective manner, the Department uses Electronic Funds Transfers (EFT), the Government Travel Card, the Government Purchase Card for small purchases, and Third Party Drafts. The cash management program has realized approximately \$64.5 million in cumulative savings since fiscal year 1983. During fiscal year 1994, DOI achieved approximately \$3.7 million in interest savings as a result of accelerating receipts and controlling disbursements.



Office of the Secretary Gets Carded

Purchase cards epitomize the reinvention goals of empowering employees to make decisions wherever possible and streamlining the Federal government's financial management of small purchases. Use of purchase cards reduces paperwork and eliminates unnecessary and burdensome regulations that make purchasing supplies inefficient and costly. Millions of dollars are expended annually by the Office of the Secretary (OS) on routine office supplies and equipment through use of purchase cards, and the government pays no fees and earns rebates from the purchase card company.

During FY 1994, more than 150 employees in client offices serviced by OS requested application forms, and another 100 expressed interest. Card holders are able to expend up to \$2,500 for a single purchase. Savings are striking. Each time a purchase card is used instead of a purchase order, DOI saves about \$50.

Debt Management Initiatives: The goal of the Department's debt management program is the prevention and reduction of delinquent debt. During fiscal year 1994, DOI achieved considerable progress in managing its debt. Nearly \$1 million in underreported Abandoned Mine Land fees were uncovered and collection action initiated by the Office of Surface Mining; over \$11 million in delinquent debt was referred to Internal Revenue Service (IRS) for collection by offset of a taxpayer's Federal tax refund. Bureau efforts reduced the Department's delinquent debt by 24% of \$122.7 million.

Managing Financial Risks: The Bureau of Land Management and the Bureau of Mines both reported very large but inestimable contingent liabilities related to the cleanup of hazardous materials on public lands, or pursuant to legal action finding. The area of hazardous materials cleanup is probably the single greatest financial exposure facing the Department at this time. The Bureau of Indian Affairs (BIA) has an ongoing project related to the reconciliation of Indian Trust Fund accounts. Although no claims have been asserted at this time, BIA may have some financial exposure related to the previous management of these

of accounting operations and processes across the entire Department. The purpose of the effort called "Financial Management Best Practices" was to identify opportunities to standardize, improve, or eliminate policies and procedures in order to produce savings and increase efficiency.

Some examples of projected savings in 1996 are:

- Standardizing payment information formats to reduce data entry and data processing;
- Using automated travel management software to eliminate filling out travel forms by hand; and
- Using cash cards to provide travel advances in place of imprest funds and third-party drafts.



Dan Beard, Commissioner of the Bureau of Reclamation, receives a National Performance Review "Hammer" award from Vice-President Gore as Secretary of the Interior Bruce Babbitt applauds.

funds.

Procurement Savings and Efficiencies: The costs of procurement actions are expected to be reduced due to streamlined procurement laws and regulations and to greater use of automation and electronic communications.

One example of this streamlining is the application of electronic commerce to the Department's procurement actions. Transaction costs of small purchases which constitute 47 percent of procurement transactions but only six percent of total procurement spending, will be reduced by freeing them from prior regulatory requirements and multiplying the use of purchase cards in place of the cumbersome purchase orders. Electronic commerce is expected to save the Department about \$1.6 million in 1996.

Financial Management Savings: The Department has recently completed the first comprehensive review

Because of these efforts, the cost of financial operations are projected to decrease by 22 percent over the next few years.

Information Resources Management

Interior's information technology managers have a number of activities currently underway to produce savings, avoid costs, and improve services in 1996. To reduce computer software acquisition, maintenance, and administrative overhead costs, the Department is negotiating single software licensing contracts. Electronic mail capability is being implemented throughout the Department to increase business communications and avoid costs associated with paper processes (approximately 49,000 Interior employees are currently using e-mail and several thousand more will be using it by the end of 1996). The Department has established and continues to refine a high-speed communications network between major locations that replaces costly bureau communication circuits.

Reinvention

We have been a leader in the Clinton Administration's initiative to reinvent Government. In coming years, we will continue to meet the growing demand for services with fewer dollars. The Department is continuing its

reinvention efforts with a top-to-bottom review of all programs and activities. A logical outcome and desired goal of reengineering efforts is improved customer service.

For example:

- The Bureau of Land Management has committed to provide an answer within five business days to customers applying for permits.
- The Minerals Management Service has a 1-800 phone number in its Gulf of Mexico Office to help provide information to its customers.
- The U.S. Geological Survey will provide information around the clock on the location and magnitude of significant earthquakes.
- The Bureau of Reclamation will attempt to resolve customer needs through a single point of contact, wherever possible.
- The National Park Service is working with the University of Idaho to develop and analyze customer service surveys. This has made interpretive programs more meaningful to

visitors. For example, through these surveys, the Park Service recognized that about one-third of visitors to the White House were children, yet tours were geared to adults.

We are hard at work to deliver the best service to the citizens of the United States.

**U.S. Department of the Interior
Financial Statement Preparation and Audit Results**

	FY 90	FY 91 ^(a)	FY 92 ^(b)	FY 93	FY 94
# of Bureaus preparing Financial Statements	1	11	11	11	12
# of Bureaus Audited	1	4	10	11	12
# of Unqualified Opinions	-	2	3	4	6
# of Qualified Opinions	1	1	4	4	3
# of Disclaimed Opinions	-	1	3	3	3

(a) *All financial statements prepared by the Office of Surface Mining were audited. For the remaining three bureaus, only the Statement of Financial Position was audited by the OIG.*

(b) *Although all financial statements were prepared by the bureaus, only the Statement of Financial Position was audited by the OIG.*

Visitors, Volunteers, and Community Outreach

The Department's programs were legislated into being by the people's representatives in Congress. The programs carry out the work that the American people need and want. The Department's programs are popular; their popularity is attested to by the many visitors to and volunteers at Interior facilities, in addition to remarkably successful community outreach programs sponsored by Interior.

National Park System - The NPS had over 81,000 volunteers in the past year, contributing work valued at approximately \$37 million. Visitation exceeded 265 million recreational visits in 1994. Projections for 1995 and 1996 are 270 million and 276 million, respectively. The NPS maintained a visitor services survey project for the past several years. Studies of 4,900 visitors at selected parks in 1993-94 indicate that 87 percent of visitors surveyed rate park personnel as very good or good.

Fish and Wildlife - Current estimates for the Fish and Wildlife Service show it has over 22,000 volunteers, contributing 1.1 million hours of work, worth approximately \$10 million. The Fish and Wildlife Service outreach programs involve interpretation through tours, interpretive trails, visitor centers, exhibits, and instruction for teachers and students at all grade levels.

The Fish and Wildlife Service also conducts numerous outreach activities such as special demonstration projects showing varied land management practices for the owners and managers on lands located near refuges as well as for other interested parties. The Watchable Wildlife program enhances the public's opportunities to learn more about wildlife. The latest current figures available (1993), show approximately 29 million people visited the National Refuge System.

Public Lands - The Bureau of Land Management uses volunteers extensively in the recreation program. In 1996, 6,500 volunteers are expected to contribute nearly 440,000 work hours valued at over \$5.5 million, for a total expenditure of only \$0.5 million on the Bureau of Land Management's part. BLM programs fulfill a national need and responsibility to uphold the public trust, carried out at the State and local level by Interior employees and volunteers who comprise the local community.

U.S. Geological Survey - In fiscal year 1994, participants in the U.S. Geological Survey's Volunteer for Science Program donated nearly 281,000 hours of service worth an estimated \$3.6 million. Over 2,000 volunteers assisted scientists, technical experts and administrative professionals in support of ongoing science research. Volunteer docents hosted over 10,000 visitors to the USGS National Center in Reston, Virginia. An ongoing mapping project, the Earth Science Corps, attracts over 700 volunteers across the country each year to annotate USGS topographical maps of their communities.

National Biological Service - Over 4,000 volunteers skilled at accurately identifying bird species by sight, give a total of 33 person years annually conducting field counts necessary to tracking the status of over 300 bird species throughout the nation. An additional two thousand volunteers donate time, equivalent to over 200 person years, to providing animal and veterinary care, visitor services and scores of other services.

National Biological Service volunteers are trained to ensure their proficiency, health and safety, and operate only under the supervision of NBS employees and according to NBS rules of conduct.

Unaudited Financial Statements

The accompanying Statement of Financial Position of the Department of the Interior as of September 30, 1994 and September 30, 1993, and the related statements of Net Cost of Operations, Statement of Custodial Activity, and Statement of Changes in Net Position have not been audited. No opinion is expressed on these statements.

The financial statements were prepared from the financial statements produced by each of the bureaus and offices of the Department, a total of 12 sets of statements. The financial information at the bureau level was subjected to audit by the Department's Inspector General. The fiscal year 1994 bureau audits resulted in 6 unqualified opinions, meaning those statements were determined by the Inspector General to be fairly stated in all material respects; 3 qualified opinions, where the statements were determined to be fairly stated except for certain specific areas such as property, plant and equipment; and 3 disclaimers of opinion, where the Inspector General was not able to express an opinion as to the financial information presented in the statements. The bureaus receiving disclaimers of opinion were, in general, the Department's largest and most complex bureaus both operationally and financially.

The Department of the Interior

U.S. Department of the Interior
Statement of Financial Position (unaudited)

as of September 30, 1994 and 1993
(dollars in thousands)

	1994	1993
ASSETS		
Current Assets		
Fund Balance with Treasury (Note 2)	\$ 4,873,092	\$ 4,552,483
Accounts Receivable:		
Public, Net of Allowance for Doubtful Accounts (Note 3)	315,936	386,719
Due from Federal Agencies	191,444	283,310
Inventory (Note 4)	112,610	89,674
Operating Materials and Supplies	22,024	27,989
Imprest Fund Cash and Other Current Assets	12,853	23,797
Total Current Assets	5,527,959	5,363,972
Property, Plant and Equipment, net of depreciation (Note 5)		
Buildings, Structures and Facilities	25,800,894	25,414,672
Equipment, Vehicles and Aircraft	1,177,790	1,189,214
Roads, Bridges and Trails	836,856	836,351
Other Property, Plant and Equipment	659,495	712,006
Total Property, Plant and Equipment	28,475,035	28,152,243
Land (Note 6)		
Other Assets		
Non-Current and Unmatured Receivables (Note 7)	3,168,895	1,498,538
Investments:		
Treasury Securities (Note 8)	1,285,232	1,188,028
Public Securities	25,343	20,503
Stockpile Materials - Helium (Note 4)	370,361	376,455
Power Rights (Note 9)	301,375	308,952
Loans Receivable, Net of Allowance for Doubtful Accounts (Note 10)	257,880	232,989
Receivable from Contracting Authority	231,101	173,726
Unmatured Timber Sales Contracts and Other (Note 11)	103,378	122,772
Total Other Assets	5,743,565	3,921,963
Assets Held on Behalf of Treasury		
Royalty Management:		
Escrow Investments (Note 8)	1,314,064	1,271,766
Fund Balance with Treasury	373,098	365,200
Accounts Receivable	300,888	424,006
Non-Royalty Management:		
Fund Balance with Treasury	165,557	166,020
Funds Transferable to Treasury and Other	98,309	23,549
Total Assets Held on Behalf of Treasury	2,251,916	2,250,541
TOTAL ASSETS	\$ 41,998,475	\$ 39,688,719
INDIAN TRUST FUNDS		
Non-Treasury Investments (Note 8)	\$ 1,934,833	\$ 1,879,445
Treasury Securities	388,697	260,033
TOTAL INDIAN TRUST FUND ASSETS	\$ 2,323,530	\$ 2,139,478

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Statement of Financial Position (unaudited)

as of September 30, 1994 and 1993
(dollars in thousands)

	1994	1993
LIABILITIES AND NET POSITION		
Liabilities		
Liabilities Covered by Budgetary Resources		
Liabilities to the Public:		
Deferred Revenue (Note 12)	\$ 3,328,639	\$ 1,781,331
Accounts Payable to the Public	355,831	254,668
Advances and Deferred Credits (Note 13)	235,669	252,015
Accrued Payroll and Benefits (Note 14)	138,955	99,444
Other Liabilities to the Public	36,224	94,410
Total Liabilities to the Public	4,095,318	2,481,868
Liabilities to Federal Agencies:		
Royalty Collections Pending Transfer to Treasury	1,988,050	2,060,972
Notes Payable to Treasury (Note 15)	1,335,689	1,271,517
Uncollected Receipts Transferable to Treasury	104,702	149,252
Undistributed Collections	86,913	127,521
Miscellaneous Receipts Due Treasury	84,387	0
Accounts Payable	45,941	65,615
Deferred Revenue and Other	84,135	144,970
Total Liabilities to Federal Agencies	3,729,817	3,819,847
Total Liabilities Covered by Budgetary Resources	7,825,135	6,301,715
Liabilities Not Covered by Budgetary Resources		
Liabilities External to the Federal Government:		
Accrued Unfunded Annual Leave	234,317	231,044
Lease Liabilities and Other External Liabilities	86,917	64,146
Liabilities to Federal Agencies	0	7,642
Total Liabilities Not Covered by Budgetary Resources	321,234	302,832
Contingent Liabilities (Note 17)		
Total Liabilities	8,146,369	6,604,547
Net Position		
Unexpended Appropriations	4,691,109	4,528,154
Invested Capital	28,214,607	27,791,199
Cumulative Results of Operations	209,809	24,047
Other	736,581	740,772
Total Net Position	33,852,106	33,084,172
TOTAL LIABILITIES AND NET POSITION	\$ 41,998,475	\$ 39,688,719
INDIAN TRUST FUNDS		
Payable to Indian Tribes	\$ 1,867,230	\$ 1,687,511
Payable to Individuals	455,712	451,307
Other Liabilities	588	660
TOTAL INDIAN TRUST FUND LIABILITIES	\$ 2,323,530	\$ 2,139,478

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Statement of Changes in Net Position (unaudited)

for the years ended September 30, 1994 and 1993
(dollars in thousands)

	1994	1993
Change in Net Position		
Change in Cumulative Results of Operations		
Net Cost of Operations	\$ (6,690,755)	\$ (5,609,619)
Financing Sources:		
Appropriations Expended	7,387,541	7,022,099
Royalty Collections	4,338,894	4,045,525
Transfers-out	(5,293,271)	(5,113,790)
Net Results of Operations	(257,591)	344,215
Prior Period Adjustments	443,353	(5,141,642)
Net Change in Cumulative Results of Operations	185,762	(4,797,427)
Changes in Other Net Position Accounts		
Increase in Invested Capital	423,408	818,529
Increase in Unexpended Appropriations	162,955	460,869
Other Decreases	(4,191)	(9,079)
Net Change in Other Net Position Accounts	582,172	1,270,319
Change in Net Position	767,934	(3,527,108)
Net Position - Beginning of Year	33,084,172	36,611,280
Net Position - End of Year	\$ 33,852,106	\$ 33,084,172

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Statement of Custodial Activity (unaudited)

for the years ended September 30, 1994 and 1993
(dollars in thousands)

	1994	1993
Collections on Behalf of the Federal Government		
Mineral Lease Collections		
Rents and Royalties	\$ 3,867,021	\$ 3,894,454
Offshore Lease Sales	374,539	100,921
Other	40,260	678
Total Mineral Lease Collections	4,281,820	3,996,053
Earnings on Escrow Investments		
Interest	34,766	41,175
Amortized Discount	22,307	8,297
Total Earnings on Escrow Investments	57,073	49,472
Total Collections on Behalf of the Federal Government	\$ 4,338,893	\$ 4,045,525
Disposition of Collections		
Transferred to Others		
Department of Treasury	\$ 2,137,321	\$ 1,912,008
National Park Service	1,046,990	1,050,000
States	605,835	543,129
Bureau of Reclamation	410,751	366,593
Indian Tribes and Agencies	39,283	51,443
Other Federal Agencies	17,554	21,298
Other Transfers	22,669	7,456
Total Transferred to Others	4,280,403	3,951,927
Collections Pending Transfer	58,490	93,598
Total Disposition of Collections	\$ 4,338,893	\$ 4,045,525

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Statement of Changes in Net Position (unaudited)

for the years ended September 30, 1994 and 1993
(dollars in thousands)

	1994	1993
Change in Net Position		
Change in Cumulative Results of Operations		
Net Cost of Operations	\$ (6,690,755)	\$ (5,609,619)
Financing Sources:		
Appropriations Expended	7,387,541	7,022,099
Royalty Collections	4,338,894	4,045,525
Transfers-out	(5,293,271)	(5,113,790)
Net Results of Operations	(257,591)	344,215
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Net Change in Cumulative Results of Operations	185,762	(4,797,427)
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Change in Net Position	767,934	(3,527,108)
Net Position - Beginning of Year	33,084,172	36,611,280
Net Position - End of Year	\$ 33,852,106	\$ 33,084,172

The accompanying notes are an integral part of these financial statements.

U.S. Department of the Interior
Notes to Principal Financial Statements
as of September 30, 1994 and 1993

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The U.S. Department of the Interior (DOI) is a Cabinet agency of the executive branch of the federal government. Created in 1849 by Congress as the Nation's principal conservation agency, the Department has responsibility for most of our nationally owned public lands and natural resources. This includes fostering the wisest use of land and water resources, protecting fish and wildlife, and preserving the environmental and cultural values of national parks and historic places. The Department also assesses mineral resources and works to assure that their development is in the best interest of all the people. Additionally, the Department has a major responsibility for American Indian reservation communities and for people who live in the Island Territories under United States administration.

In fulfilling its mission, the Department administers a variety of funds. These funds are categorized as follows:

- ▶ General Funds - These consist of (1) receipt accounts used to account for collections not dedicated to specific purposes and (2) expenditure accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.
- ▶ Special Funds - These consist of separate receipt and expenditure accounts established to account for receipts of the government that are ear-marked by law for a specific purpose but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts.
- ▶ Revolving Funds - These are combined receipt and expenditure accounts established by law to finance a continuing cycle of operations, with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress.
- ▶ Trust Funds - These are established to account for receipts that are held in trust for use in carrying out specific purposes and programs in accordance with an agreement or statute.
- ▶ Deposit Funds - These are expenditure accounts established to account for receipts awaiting proper classification or receipts held in escrow until ownership is established when proper distribution can be made.

Notes to Principal Financial Statements

The accompanying principal financial statements include the accounts of all funds under DOI control. The principal statements do not include the effects of centrally administered assets and liabilities related to the federal government as a whole, such as borrowing, which may in part be attributable to DOI.

B. Basis of Presentation

These consolidated financial statements have been prepared to report the financial position, the net cost of operations, the custodial activities, and the changes in net position of the Department as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. They have been prepared from the books and records of the Department in accordance with guidance issued by the Federal Accounting Standards Advisory Board and the Office of Management and Budget (see Basis of Accounting Note).

C. Basis of Accounting

Transactions are recorded on both an accrual and budgetary basis. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. All identified FY 1994 inter-bureau transactions have been eliminated.

The principal financial statements are prepared in accordance with the following hierarchy of accounting principles and standards:

- ▶ the accounting principles, standards, and requirements approved by FASAB;
- ▶ form and content requirements for financial statements included in OMB Bulletin No. 94-01 (Form and Content of Agency Financial Statements); and
- ▶ the accounting principles and standards contained in Departmental and bureau accounting policy, procedures manuals, and/or related guidance so long as they are prevalent practices.

D. Revenues and Financing Sources

Financing sources are provided through Congressional appropriations on an annual, multi-year, and no-year basis and may be used, within statutory limits, for operating and capital expenditures and for grant payments to States and universities. Additional funds are obtained through reimbursements for services performed for other Federal agencies and the public, Abandoned Mine Land fees, Land Management Program receipts, Fish and Wildlife Program receipts, and miscellaneous receipts derived from other Departmental programs.

Notes to Principal Financial Statements

The Department's Royalty Management Program, administered by the Minerals Management Service, collects bonuses, rents, royalties, and other receipts from Federal and Indian Leases, and distributes all proceeds to the U.S. Treasury, other Federal Agencies, States, Indian Tribes, and Indian Allottees, in accordance with legislated allocation formulas. The amounts collected and transferred are disclosed in the Statement of Custodial Activities.

E. Funds with the U.S. Treasury and Cash

The Department maintains all cash accounts with the U.S. Treasury, except for imprest fund accounts. Cash receipts and disbursements are processed by Treasury. Funds with Treasury represent primarily appropriated, revolving, and trust funds available to pay current liabilities and finance authorized purchase commitments.

F. Centralized Federal Financing Activities

The Department's financial activities interact with and are dependent upon the financial activities of the centralized management functions of the Federal Government that are undertaken for the benefit of the entire Federal Government. These activities include public debt and employee retirement, life insurance and health benefit programs. DOI's financial statements, however, do not contain the results of centralized financial decisions and activities performed for the benefit of the entire Government.

G. Property, Plant and Equipment

Property, plant and equipment are valued primarily at historical cost. The Bureau of Reclamation (BOR) is responsible for managing approximately \$19.4 billion or 68% of the Department's property, plant and equipment. Costs associated with Reclamation multipurpose plant are allocated to the various purposes (ie., power, irrigation, municipal and industrial water, fish and wildlife enhancement, recreation, flood control) through a cost allocation process. Cost associated with power, irrigation, and municipal and industrial water are reimbursable. Cost associated with some purposes, such as fish and wildlife enhancement, recreation, and flood control, are essentially nonreimbursable.

The National Park Service (NPS) manages approximately \$3.7 billion (13%) of DOI's property, plant and equipment. Currently, NPS does not depreciate its property, plant and equipment. Depreciation policy for the Park Service will be promulgated following the reconciliation of ledger accounts for property, plant and equipment and the issuance of applicable accounting standards by FASAB.

The Bureau of Indian Affairs (BIA) accounts for approximately \$3.2 billion (11%) of the Department's property, plant and equipment. Effective June 14, 1993, BIA capitalized equipment if the initial acquisition cost was \$5,000 or more and the useful life was more than one year. Prior to that date, equipment was capitalized when the acquisition cost was \$300 or more and the

Notes to Principal Financial Statements

useful life was more than one year. Current BIA accounting policy does not provide for depreciation of property, plant and subsequent. BIA plans to adopt applicable accounting standards issued by FASAB.

In general, bureau policies are that equipment is capitalized at acquisition cost and is depreciated over its useful life using the straight-line method. The capitalization threshold is \$5,000.

Note 5 provides additional information concerning DOI's property, plant and equipment.

H. Land

The Department assigns no value to the public land it administers since recording such lands at cost provides little meaningful information. In certain instances, public domain and other lands were acquired without recorded cost. FASAB's Exposure Draft for Recommended Accounting Standards for Property, Plant, and Equipment recommends that historical cost not be provided for stewardship land. Instead, FASAB's Exposure Draft recommends that acreage and usage of public lands be provided. Note 6 provides additional information concerning land.

I. Accounts Receivable

Accounts receivable consist of amounts owed to the Department by other Federal agencies and the public. An allowance for doubtful accounts is established for reporting purposes based on past experience in the collection of accounts receivable and analysis of outstanding balances. Note 3 provides additional information concerning accounts receivable.

J. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the Department as the result of a transaction or event that has already occurred. However, no liability can be paid by the Department absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as liabilities not covered by budgetary resources and there is no certainty that the appropriations will be enacted.

K. Investments

The Department invests funds in U.S. government securities and public securities on behalf of Indian Trust Funds and other Interior accounts. Note 7 provides additional information concerning DOI investments.

L. Personnel Compensation and Benefits

Earned annual leave is included in personnel compensation and benefits. Sick and other types

Notes to Principal Financial Statements

of leave are expensed when used but are not accrued when earned. Annual leave is funded from current appropriations when used. An unfunded liability is recognized for earned but unused annual leave. As unused annual leave is used in the future, financing will be obtained from appropriations current at the time.

M. Retirement Plans

DOI employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). The Department makes matching contributions to CSRS, but does not report CSRS assets, accumulated plan benefits, or unfunded liabilities, if any applicable to its employees. This information is reported by the Office of Personnel Management.

FERS became effective on January 1, 1987, pursuant to Public Law 99-335. Most DOI employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS.

N. Income Taxes

As an agency of the U.S. government, DOI is exempt from all income taxes imposed by any governing body, whether it be a Federal, State, Commonwealth of the United States, local or foreign government.

O. Principal Financial Statements

The principal financial statements of the Department of Interior are:

- Statement of Financial Position
- Statement of Net Cost of Operations
- Statement of Custodial Activity
- Statement of Changes in Net Position

P. Comparative Data

Comparative data for the prior year have been presented in order to provide an understanding of changes in financial position and operations of DOI. Entries to eliminate the effects of FY 1994 inter-bureau transactions are based on estimates. FY 1993 data do not reflect the elimination of inter-bureau transactions.

Q. Prototype Nature of Report

This prototype document addresses the consolidated annual financial report requirement

Notes to Principal Financial Statements

contained in Section 405, Title IV, of "The Government Management and Reform Act of 1994" (the Act). Section 405 of the Act states that "Not later than March 1 of 1997 and each year thereafter, the head of each executive agency ... shall prepare and submit to the Director of the Office of Management and Budget an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency."

Note 2. Fund Balance with Treasury

U.S. Government cash is accounted for on an overall consolidated basis by the U.S. Department of the Treasury. The Fund Balance with Treasury under Current Assets represents the right of Departmental entities to draw on the U.S. Treasury for allowable operating expenditures. As of September 30, 1994, this balance was distributed as follows:

	<u>Fund Balance with Treasury</u> <u>Current Assets</u> <u>(in thousands)</u>
Fish and Wildlife Service	\$1,285,479
National Park Service	1,107,357
Bureau of Indian Affairs	998,931
Bureau of Reclamation	504,490
Bureau of Land Management	339,288
Office of Territorial and International Affairs	266,917
Bureau of Mines	95,141
Minerals Management Service	71,882
Office of Surface Mining	64,186
National Biological Service	56,645
U.S. Geological Survey	46,612
Office of Secretary	<u>36,164</u>
TOTAL	<u>\$4,873,092</u>

The Fund Balance with Treasury under Assets Held on Behalf of Treasury represents restricted amounts that are held by the Department but are not available for use in internal operations.

Notes to Principal Financial Statements

Note 3. Accounts Receivable

Accounts receivable due from the Public, net of allowance for doubtful accounts, are provided below:

	<u>Accounts Receivable</u> <u>Due from the Public</u> <u>(in thousands)</u>
Bureau of Reclamation	\$180,887
U.S. Geological Survey	72,710
Bureau of Indian Affairs	30,020
Office of Surface Mining	13,651
National Park Service	10,686
Fish and Wildlife Service	3,418
Bureau of Mines	1,497
Bureau of Land Management	1,408
National Biological Service	1,102
Other	<u>557</u>
Total	<u>\$315,936</u>

Note 4. Inventory and Stockpile Materials - Helium

The Department of the Interior maintained the following inventory as of September 30, 1994:

	<u>DOI Inventory</u> <u>(in thousands)</u>
Published Maps	\$83,676
Helium	7,913
Reclamation Inventory	7,489
Hydraulic Equipment	4,049
National Park Service Inventory	2,885
Resource Management Inventory	2,779
Gas and Storage Rights	1,082
Other Inventory	<u>2,737</u>
Total Inventory	<u>\$112,610</u>

Published maps are warehoused by the U.S. Geological Survey's (USGS) Rocky Mountain Mapping Center (RMMC) in Denver, Colorado. Although the USGS has a policy of conducting annual physical inventories, an asbestos problem at the RMMC site prevented physical inventories from being conducted during FY 1994. This problem, however, has been corrected by USGS.

Funds received from the sale of helium or other products resulting from helium operations are

Notes to Principal Financial Statements

credited to the helium production fund. This fund is available without fiscal year limitation to carry out the provisions of the "Helium Act", including any research relating to helium. Helium Fund amounts that are in excess of amounts deemed necessary by the Secretary to carry out the Helium Act and contracts negotiated thereunder are paid to Treasury and credited against any amounts borrowed from Treasury.

Note 5. Property, Plant and Equipment

Capitalization policy for property, plant and equipment is promulgated by individual DOI bureaus and offices. In general, bureau policies state that equipment is capitalized at acquisition cost and is depreciated over its useful life using the straight-line method. The capitalization threshold is generally \$5,000.

As of September 30, 1994, DOI property, plant and equipment was valued as follows:

DOI Property, Plant and Equipment (in thousands)							
	Equipment Vehicles, and Aircraft	Buildings, Structures, and Facilities	Roads, Bridges, and Trails	General Investigation Costs	ADP Software	Other	Total
Bureau of Reclamation	\$ 80,607	\$18,667,285	-	\$559,684	\$47,278	-	\$19,354,854
National Park Service	368,043	3,361,073	-	-	468	\$14,533	3,744,117
Bureau of Indian Affairs	162,776	2,725,837	\$330,406	-	-	-	3,219,019
Bureau of Land Mgmt	85,291	276,904	506,450	-	1,043	-	869,688
Fish and Wildlife Srvc	112,663	688,503	-	-	-	-	801,166
Geological Survey	297,850	18,739	-	-	18,562	-	335,151
Bureau of Mines	40,057	62,508	-	-	771	141	103,477
Office of the Secretary	23,961	-	-	-	3,322	260	27,543
Minerals Mgmt Srvc	2,830	-	-	-	9,473	651	12,954
Other	3,712	45	-	-	3,303	6	7,066
Total	\$1,177,790	\$25,800,894	\$836,856	\$559,684	\$84,220	\$15,591	\$28,475,035

Notes to Principal Financial Statements

General Investigation Costs capitalized by the Bureau of Reclamation comprise Investigation and Development Costs (\$539,911 thousand) and Nonreimbursable Capital Investigation Cost (\$19,773 thousand). Investigation and development costs are primarily related to units or features of projects that are not planned for construction. Historically, BOR has accumulated costs in this account until the project was authorized for construction at some later date by Congress, which in some instances, was very lengthy. Once authorized, the costs are moved to the construction in progress account, and upon project completion, to a completed asset account.

Note 6. Land

As a Nation, Americans once owned nearly two billion acres of public lands. In the course of national expansion and development, public lands were sold or deeded by the Federal Government to the States and their counties and municipalities, to educational institutions, to private citizens and to industries. Other lands were set aside as national parks, forests, wildlife refuges and military installations. Currently, Federal civil and defense agencies administer about 660 million acres, or about 29% of the total 2.3 billion acres in the United States. Of the 660 million acres under federal control, approximately 442 million acres are administered by the Department of Interior, principally by the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service.

The Bureau of Land Management (BLM) has exclusive jurisdiction for about 41 percent, or 270 million acres, of the federally owned lands. Approximately one-third of this area is in the State of Alaska.

Pursuant to the landmark Federal Land Policy and Management Act of 1975, public lands under the jurisdiction of BLM are managed under the principles of multiple use and sustained yield for the benefit of all Americans. Public lands are leased to private companies providing vast amounts of oil, natural gas, and other valuable minerals. Leases to ranchers allow livestock primarily sheep and cattle, to forage on more than 170 million acres of public lands. Timber products are another valuable commodity produced from public lands. Finally, most of the public lands are available for a wide variety of recreational activities, including camping, hunting, fishing, skiing, and hiking.

The Fish and Wildlife Service administers about 91 million acres, or almost 14% of the federally owned lands. The majority of this land comprises more than 500 national wildlife refuges that provide habitat for migratory birds, endangered species, and other wildlife and wild-life oriented public recreation.

The National Park Service administers about 81 million acres, or approximately 12% of the federally owned lands. The National Park System encompasses 368 park units in 49 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands. During FY 1994, there were approximately 265 million recreational visits and nearly 19 million overnight stays in national park areas.

Notes to Principal Financial Statements

Note 7. Non-Current Receivables

A significant increase during FY 1994 is primarily attributable to the recording of a Lowe Colorado Region Central Arizona Project repayment contract of approximately \$1.6 billion.

Note 8. Investments

Other Assets - Investments

Funds are invested by the Office of Surface Mining (OSM), the Fish and Wildlife Service (FWS), the Bureau of Indian Affairs (BIA), the Office of the Secretary (OS) and the National Park Service (NPS) on behalf of various Department of Interior accounts.

Effective October 1, 1991, Public Law 101-508 authorized the Office of Surface Mining to invest available Abandoned Mine Land (AML) trust funds in non-marketable federal securities. The Bureau of Public Debt is the sole issuer of authorized non-marketable federal securities which are available for purchase through the U.S. Treasury. OSM has authority to invest AML trust funds in bills, notes, bonds, par value special issues, and one-day certificates.

Presently, all earnings from AML investments are reinvested, providing a source of continuous funding to further enhance AML trust fund equity. However, with the enactment of Public Law 102-486 on October 24, 1994, and effective with fiscal year 1996, OSM will be required to transfer annually up to \$70 million in interest earned from the AML trust funds to the United Mine Workers Benefit fund. These AML investment proceeds will then be available to provide health benefits for certain eligible retired coal miners and their dependents.

The U.S. Treasury collects, invests, and maintains on behalf of the Fish and Wildlife Service the Aquatic Resources Trust Fund, of which the Service's Sport Fish Restoration Account is a portion thereof. The Appropriations Act of 1951 authorizes amounts equal to revenues credited during the year to be used in the subsequent fiscal year and recorded as permanent appropriations to remain available until expended. The FWS investment amount does not include FY 1994 collections held by Treasury for reporting in subsequent years.

The Bureau of Indian Affairs is authorized by Public law 98-146 to invest Irrigation and Power receipts in U.S. Government and public securities until the funds are required for project operations. BIA's investment policy is to invest funds that are not needed to cover anticipated outlays and an estimate amount to meet unexpected contingencies.

Effective with fiscal year 1994, the Office of the Secretary was delegated responsibility for investing funds contributed to the Utah Reclamation Mitigation and Conservation Account (URMCA).

Notes to Principal Financial Statements

The National Park Service administers an endowment on behalf of the Lincoln Farm Association. Investment earnings from this endowment are used to provide for maintenance and upkeep of Abraham Lincoln's birthplace.

As of September 30, 1994, the Department's investments in Treasury securities consisted of the following:

(in thousands)	<u>Cost</u>	<u>(Discount)</u>	<u>Net Cost</u>
Treasury Securities:			
Office of Surface Mining	\$1,185,795	(\$10,411)	\$1,175,384
Fish and Wildlife Service	69,062	(235)	68,827
Bureau of Indian Affairs	27,384	-	27,384
Office of the Secretary	13,680	(108)	13,572
National Park Service	<u>65</u>	<u>-</u>	<u>65</u>
Total DOI	<u>\$1,295,986</u>	<u>(\$10,754)</u>	<u>\$1,285,232</u>

Royalty Management - Escrow Investments

Pursuant to Section 7 of the Outer Continental Shelf (OCS) Lands Act, the Minerals Management Service is authorized to invest receipts from OCS leases having boundary disputes in government securities. The current investment amount results from an ongoing boundary dispute with the State of Alaska dating back to 1979. As of September 30, 1994, Royalty Management escrow investments consisted of the following:

(in thousands)	<u>Cost</u>	<u>Premium</u>	<u>Net Cost</u>
Treasury Securities	\$1,291,757	\$22,307	\$1,314,064

Indian Trust Funds

Agreements between the U.S. Government and various Indian tribes are acknowledged in the form of treaties. Ensuing U.S. Government policies and legislation continue to recognize the relationship with Indian tribes by authorizing the Secretary of the Interior (Secretary) to manage Tribal and Individual Indian Monies Trust Funds. The Secretary, in turn, has delegated this management responsibility, including accounting and reporting, to the Assistant Secretary-Indian Affairs. The Office of Trust Funds Management, Bureau of Indian Affairs, performs management of Indian Trust Funds on behalf of the Assistant Secretary - Indian Affairs.

Notes to Principal Financial Statements

Note 9. Power Rights

Power rights represent the unamortized cost of the right or privilege to use the facilities of others or the right to future power generation or power revenues when such rights are not subject to early liquidation. This account is used when assets are not properly classified as Reclamation property and equipment or loans receivable. The power rights associated with BIA's Navajo Project (\$235,304 thousands) represents the most significant portion of this asset account.

Note 10. Loans Receivable

The Credit Reform Act of 1990 (Public Law 101-508) required extensive changes in federal accounting for loans to the public. Prior to credit reform, funding for loans was provided by Congressional appropriation from the general or special funds. Under credit reform, loans are comprised of two components. The first component is borrowed from the U.S. Treasury with repayment provisions. Since this component is not appropriated, it is not included in the Federal Government's budget. The second component represents the subsidized portion of the loan and is funded by Congressional appropriation. While this component is not subject to repayment, it receives annual appropriations to fund any increases in subsidy due to interest rate fluctuations and changes in default rate estimates.

Loans are accounted for as receivables after the funds are disbursed. Direct loan obligations and loan guarantee commitments made prior to FY 1992, and the resulting direct loans or loan guarantees, are reported net of an allowance for estimated uncollectible loans or estimated losses. Direct loan obligations and loan guarantee commitments made after FY 1991, and the resulting direct loans or loan commitments, are governed by the Credit Reform Act of 1990.

The Bureau of Reclamation and the Bureau of Indian Affairs administer DOI loan programs. BOR's programs provide Federal assistance to organizations wishing to construct or improve water resources development in the West (\$159,850 thousand). BOR currently has forty loans outstanding. Of this total, sixteen loans are delinquent and one has been referred to the Department of Justice for collection.

BIA's loan accounts comprise the Indian Direct Loan Program, Indian Loan Guarantee Program and Liquidating Fund for Loans (\$98,030 thousand). BIA provides direct and guaranteed loans to Indian tribes and organizations, Indian individuals, and Alaska Natives for economic development purposes.

Notes to Principal Financial Statements

As of September 30, 1994, the Department's loansreceivable balance consisted of the following:

	(in thousands)		
<u>Direct Loans and Guaranteed Loans</u>	<u>Gross Amount</u>	<u>Allowance</u>	<u>Net Amount</u>
Prior to FY 1992	\$113,021	(\$39,064)	\$73,957
After FY 1991	\$193,729	(\$9,806)	\$183,923
Total	\$306,750	(\$48,870)	\$257,880

Note 11. Unmatured Timber Sales Contracts

Unmatured timber sales contracts represent the obligation and the right of contractors to cut specific quantities of timber within a defined time period at a set price. These contracts represent future revenue to the Department which will materialize in future accounting periods as contracts are fulfilled by the cutting of timber. The unmaturred balance in this account has decreased over the past several years because new contracts have not been awarded. This is due to measures taken to provide an appropriate level of protection for the Northern Spotted Owl. The protective legislation allows the cutting of timber on existing contracts, but precludes cutting on new contracts.

Note 12. Deferred Revenue

This amount is primarily an advance associated with the Bureau of Reclamation's Boulder Canyon Project. The liability will be repaid, with applicable interest, to the customers through credits included on their future power billings. The estimated repayment period extends to 2017.

Note 13. Advances and Deferred Credits

The Bureau of Reclamation receives advances from non-Federal facility users (\$166,911 thousand) which are to be applied to such charges as construction, operation and maintenance, and future power or water service billings. Approximately \$134,948 thousand represents funds advanced from power customers to BOR for the updating program related to power facilities at the Boulder Canyon Project.

Deferred credits consist primarily of unmaturred timber sales contracts (\$54,887 thousand). Unmaturred timber sales contracts are described in Note 11.

Note 14. Accrued Payroll and Benefits

A liability has been recognized for wages and benefits earned but not paid as of the close of September 30, 1994. Annual leave earned but not taken is recorded in the general funds as an unfunded expense to be funded by future appropriations.

Notes to Principal Financial Statements

Note 15. Notes Payable to Treasury

The Department's debt comprises amounts due Treasury for (1) the helium production fund and (2) borrowings to finance BIA loan programs established under the Indian Financing Act of 1974.

Amounts due Treasury from the Helium Fund as of September 30 are:

(in thousands)	1994	1993
Principal: *		
Net Worth Debt 1/	\$ 37,343	\$ 37,343
Additional Borrowing From Treasury 2/	<u>251,650</u>	<u>251,650</u>
Total Principal	<u>288,993</u>	<u>288,993</u>
Interest: 3/		
Beginning Balance	987,694	955,932
Interest Expense	42,873	41,762
Repayments	<u>(10,000)</u>	<u>(10,000)</u>
Ending Balance	<u>1,020,567</u>	<u>987,694</u>
 Total Debt	 1,309,560	 1,276,687
Less: Amount to be paid currently	<u>(10,000)</u>	<u>(10,000)</u>
Debt to Treasury	<u>\$1,299,560</u>	<u>\$1,266,687</u>

* *These amounts were due 25 years from the date the funds were borrowed. These funds were borrowed at different times and are now delinquent.*

1/ *Net Worth is the amount recorded by Treasury for the net worth capital and retained earnings of the Helium Fund established under section 164 of Chapter 10 of Title 50 of the United States Code, enacted March 3, 1925, (prior to amendments by the Helium Act Amendments of 1960), plus any monies expended thereafter by the Department of the Interior from funds provided in the Supplemental Appropriation Act of 1959 for construction of a helium plant at Keyes, Oklahoma.*

2/ *Additional borrowing from Treasury are all funds borrowed under Section 167j of Chapter 10 of Title 50 of the U.S. Code which authorized acquisition and construction of helium plants and facilities and other related purposes including the purchase of helium.*

3/ *Interest on borrowing is compound interest on the debts described in 1/ and 2/ above which has not been repaid to Treasury. Interest is calculated annually at rates determined by the Secretary of the Treasury taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to investments authorized. The interest rate on 1/ above was determined as of September 30, 1960, and the interest on 2/ above shall be determined as of the time of each borrowing.*

Notes to Principal Financial Statements

During FY 1994, the Bureau of Indian Affairs borrowed \$25,011 thousand from the U.S Treasury to finance non-long term costs of operating the loan programs authorized under the Indian Financing Act of 1974 or the Federal Credit Reform Act of 1990.

Note 16. Operating Expenses

Operating expenses by object class are provided below:

	<u>FY 1994 Expenses</u> <u>(in thousands)</u>
Salaries and Benefits	\$3,520,643
Contractual Services	1,767,793
Grants, Subsidies and Contributions	1,765,942
Rental, Communication and Utilities	331,133
Supplies and Materials	226,729
Travel and Transportation	193,036
Non-Capitalized Equipment	108,419
Printing and Reproduction	20,480
Other	<u>212,133</u>
Total	<u>\$8,146,308</u>

Operating expenses by DOI entity are provided below:

	<u>FY 1994 Expenses</u> <u>(in thousands)</u>
Bureau of Indian Affairs (BIA)	\$1,783,093
National Park Service (NPS)	1,497,177
Fish and Wildlife Service (FWS)	1,072,388
Bureau of Land Management (BLM)	998,520
U.S. Geological Survey (USGS)	888,826
Bureau of Reclamation (BOR)	866,505
Office of Territorial and International Affairs (OTIA)	341,405
Office of Surface Mining (OSM)	298,536
Minerals Management Service (MMS)	205,683
Bureau of Mines (BOM)	173,769
National Biological Service (NBS)	151,745
Office of Secretary (OS)	147,130
Inter-Bureau Adjustment	<u>(278,469)</u>
Total	<u>\$8,146,308</u>

Notes to Principal Financial Statements

DOI entity expenses can be broadly classified into the following categories:

Natural Resources	Bureau of Land Management, Bureau of Reclamation, Fish and Wildlife Service, Minerals Management Service, National Park Service, and Office of Surface Mining
Indian Affairs	Bureau of Indian Affairs
Science	Bureau of Mines, U.S. Geological Survey, and National Biological Service
Other	Office of the Secretary and Office of Territorial and International Affairs

Note 17. Contingencies

The Department has certain claims and lawsuits pending against it. The Bureau of Reclamation reports a liability for repayment to Treasury (estimated \$51,930 thousand), subject to congressional appropriation, for claim settlement payments made by Treasury during fiscal years 1990 and 1991 on behalf of Reclamation pursuant to the Contract Disputes Act of 1978. The Bureau of Indian Affairs (BIA) has an ongoing project related to the reconciliation of Indian Trust Fund accounts. Although no claims have been asserted at this time, BIA may have some financial exposure related to the previous management of these funds. The Bureau of Land Management and the Bureau of Mines report very large but inestimable contingent liabilities related to the clean up of hazardous materials on public lands or pursuant to legal action.

In the opinion of management, the cleanup of hazardous materials represents the area of greatest financial exposure confronting the Department at this time.

Comments ?

One purpose and goal of this prototype annual report is to generate feedback from a wide variety of sources on the content and presentation of this Annual Report. Your comments on and reaction to this report will be very helpful to us as we prepare the 1995 report.

Was the Annual Report understandable? What did you find most interesting?

What additional information would you like to see included in the report? What would you change about the report?

Other comments?

What is your interest in the Department of the Interior?

- Citizen / Taxpayer
- Student
- Senator / Congressional Representative
- Capitol Hill Staff
- Member of the Media
- Federal Employee - Which Agency:
- Other / Comments:

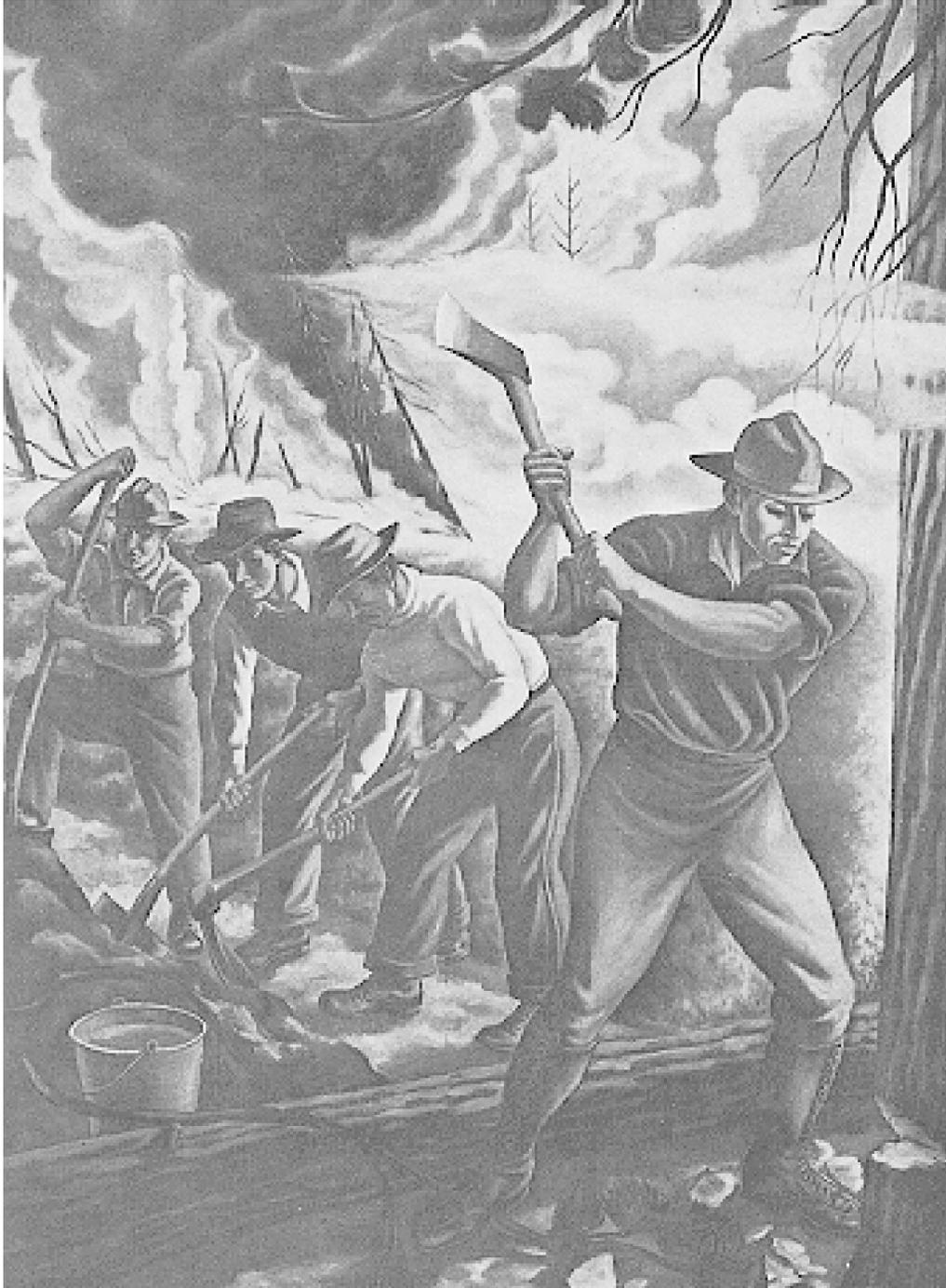
Please mail your response to: U.S. Department of the Interior
Office of Financial Management, Room 7258
1849 C Street, N.W.
Washington, DC 20240

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Thanks

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Office of Financial Management
Room 7258
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Washington, DC 20240



The Interior Building is a National Register property containing over 28 exquisite 1930's New Deal art murals. This mural, "Fighting Forest Fire", by Ernest Fiene, is located on the west wall, second floor, of the Interior Building.

Back Cover - Half-dome, Yosemite National Park

