



DEPARTMENT OF THE INTERIOR

“So let’s end this century by meeting the challenge Teddy Roosevelt set for us at the beginning. We’ve made a lot of progress in the protection of our environment and our national heritage. But the future can be even brighter.”
President Clinton, 8/26/95

As the nation’s principal conservation agency, the U.S. Department of the Interior has responsibility for most of our nationally owned public lands and natural resources. From its establishment in 1849, the Department has managed many varied programs including Indian Affairs, administering land grants, improving historic western emigrant routes, marking boundaries, and conducting research on geological resources.

“Let’s do the right thing and permit our children and grandchildren to inherit a world that is safe, clean, and wondrous.”
Vice-President Al Gore, 1/27/96

The Department’s mission is (1) to encourage and provide for the appropriate management, preservation, and operation of the Nation’s public lands and natural resources for use and enjoyment both now and in the future; (2) to carry out related scientific research and investigations in support of these objectives; (3) to develop and use resources in an environmentally sound manner, and provide an equitable return on these resources to the American taxpayer; and (4) to carry out trust responsibilities of the U.S. Government with respect to American Indians and Alaska Natives.

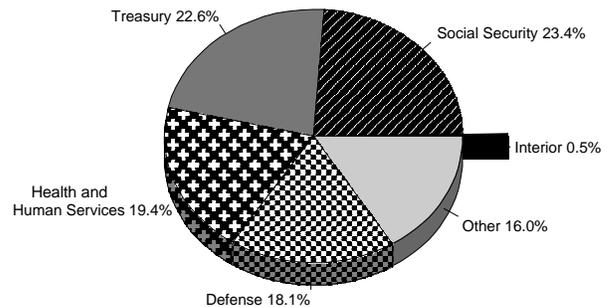
In 1995, the Department’s budget authority was \$9.744 billion, a small increase of \$81 million over 1994. As shown in Figure 1, Interior’s budget represents

approximately one-half of one percent of the total 1995 Federal Government budget.

The Department collects revenues from the leasing of natural gas and oil resources, both offshore and onshore; from coal, timber, and grazing on Federal lands, and from numerous other sources, such as recreation fees. During the year ended September 30, 1995, the Department generated over \$5.1 billion in receipts, of which, approximately \$3.8 billion or 75 percent was derived from the offshore and onshore minerals management programs.

Figure 1

Interior's Percentage of 1995 Federal Budget

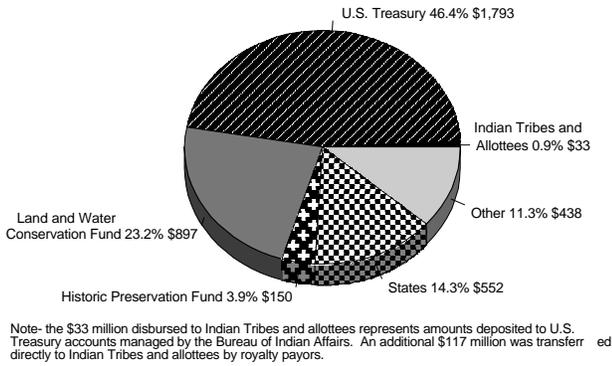


The mineral leasing receipts collected by the Department are distributed to Indian Tribes and allottees, States, the U.S. Treasury, the Land and Water Conservation Fund, the Historic Preservation Fund, and to other entities. Figure 2 displays the distribution of 1995 mineral leasing receipts.

The Department of the Interior is comprised of a number of bureaus and offices including the Bureau of Indian Affairs, the Bureau of Land Management, the U.S. Bureau

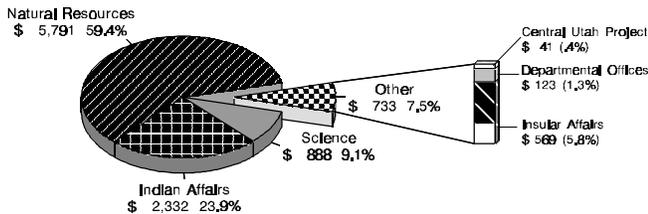
Figure 2

Distribution of 1995 Mineral Leasing Revenues
(\$ in millions)



of Mines, the Bureau of Reclamation, the Fish and Wildlife Service, the U.S. Geological Survey, the Minerals Management Service, the National Biological Service, the National Park Service, the Office of Surface Mining, the Office of Insular Affairs., and the Office of the Secretary. Figure 3 displays the allocation of Interior’s 1995 budget authority by major category.

Figure 3
Interior Budget Authority
Fiscal Year 1995
(\$ in millions)



Total Interior Budget Authority - \$9,744 million

LAND MANAGEMENT

As the Nation’s principal conservation agency, the Department oversees approximately 442 million acres or 20 percent of the United States land mass. Departmental oversight of the nation’s public lands is conducted primarily by the Bureau of Land Management, the National Park Service, and the Fish and Wildlife Service.

The Bureau of Land Management (BLM) is trustee for 270 million acres of public land located primarily in the western United States, including 90 million acres in Alaska. The BLM also manages the subsurface mineral estate that underlies an additional 570 million acres.

The National Park System, administered by the National Park Service, comprises 369 units that encompass approximately 83 million acres, of which more than 2.8 million acres remain in private ownership. The largest area is Wrangell-St. Elias National Park and Preserve, Alaska. At 13.2 million acres, it is 16.3 percent of the entire system. The smallest unit in the National Park System is Thaddeus Kosciuszko National Memorial, Pennsylvania, at .02 of an acre.

The National Park Service also manages a significant portion of the National Wilderness Preservation System. Nearly 43 million acres of the National Park System have been designated wilderness. Wilderness is an area where humans are visitors and do not remain. These areas are generally greater than 5,000 acres which have retained their primeval character.

The Fish and Wildlife Service administers the National Wildlife Refuge System, 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.

The National Wildlife Refuge System now comprises 508 national wildlife refuges and 50 coordination areas with waterfowl production areas in 186 counties, totaling more than 92 million acres.

In addition to managing the nation's public lands, the Department also administers more than 43 million acres of land owned by Indian tribes and 11 million acres of individually-owned Indian land held in trust status. This responsibility is discharged by the Bureau of Indian Affairs.

BUILDING PARTNERSHIP FOR AMERICAN RESTORATION

"Partnerships have the ingredients of seeing the entire landscape, of bringing people together, of searching for consensus, of involving all of the stakeholders, and of looking for that common ground...to implement a vision of how we live on this landscape."

Secretary Bruce Babbitt

The U.S. Department of the Interior is a key participant in three of the Administration's four interagency ecosystem management efforts. During 1995, the Department accelerated efforts to (1) restore the South Florida ecosystem, (2) address the long-standing and unresolved issue of protection and use of the forests of the Pacific Northwest, and (3) restore the natural resources of Prince William Sound.

South Florida

One of the highest priorities for the Department is the restoration of the South Florida ecosystem, an area encompassing approximately 17,000 square miles from the headwaters of the Kissimmee River and extending south to Florida Bay and the Keys. This nationally and internationally significant area is home to more than six

million Americans and supports tourism, agricultural, and fishing industries.

The Administration established the South Florida Ecosystem Restoration Task Force to provide leadership and coordination among Federal agencies in the region. Chaired by the Department of the Interior, the task force's goal is to work toward restoring as much as possible the natural hydrologic functions of the Everglades. This work is being done in partnership with the State, local governments, the Seminole and Miccosukee Tribes, and other organizations such as the Governor's Commission on a Sustainable South Florida.

The Task Force has achieved several successes since its inception, including:

- The settlement of longstanding water quality litigation between the Federal Government, the State of Florida, and major agricultural interests.
- The development of a draft plan to guide Federal actions in the shape of objectives and criteria for ecosystem restoration.
- The release for public review of the final draft of the Army Corps of Engineers Reconnaissance Study of major changes to the Central and South Florida Project. This study outlines the various alternatives that can be taken to restore hydrologic connections so that the current artificial water delivery system more naturally resembles natural water flows.

Pacific Northwest Forest Plan

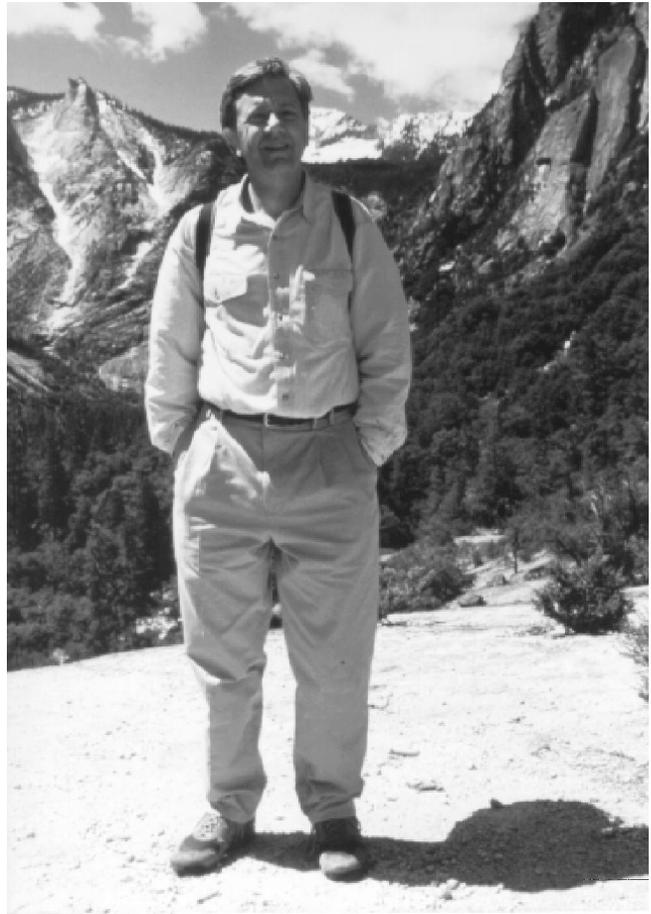
The Northwest Forest Plan lays out a comprehensive and innovative design for managing public forests in Washington, Oregon, and northern California. In western Oregon, the Bureau of Land Management has completed

six Resource Management Plans that embody the principles of sound ecosystem management. The Resource Management Plans look at a broad range of species including animals in the soil, and a wide variety of plant species. The idea is to take into account the landscape as a whole and how the different components of the ecosystem relate to each other.

Land use allocations in the plans will guide management of approximately 2.4 million acres of public land. The plans will protect the long-term health of the federal forests, safeguard streams, and provide for a sustainable supply of timber and other non-timber resources on BLM lands. The plans also provide increased protection of streams and related habitats important for many species of fish and wildlife.

In 1995, the Department accomplished the following:

- Met the annual target for sustainable timber harvest. A primary goal of the Forest Plan is to provide a sustainable timber harvest of 1.1 billion board feet. The BLM exceeded its target for 1995 (118 million board feet) by offering 127 million board feet. The BLM plans to offer 180 million board feet for sale in 1996.
- Achieved significant progress in implementing the “Jobs-in-the-Woods” program. “Jobs-in-the-Woods” provides the opportunity, through innovative programs for displaced timber workers from the local communities, to work at short-term family wage jobs and be trained for the work force of the future. The BLM sponsored 235 projects and obligated over \$9.6 million for this program during 1995. Over 90 percent of the funds targeted local contractors in the region.
- Completed 23 percent of the watershed analyses on



Secretary Bruce Babbitt. Photo credit - Tami Heilemann.

BLM administered lands in western Oregon. Watershed analysis is a procedure used to characterize the human, aquatic, riparian, and terrestrial features, conditions, processes, and interactions on federal lands within a watershed. It provides a systematic way to understand and organize ecosystem information and enhances the Department’s ability to estimate effects of management activities.

Restoration of Prince William Sound

In 1995, significant strides were 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 and the Department acquired environmentally sensitive lands

and worked to implement joint Federal/State restoration for the area. The restoration plan will be supported by the civil fines and settlement monies (totaling \$1.1 billion) that will be paid by the Exxon Corporation into the next century.

TRIBAL SELF DETERMINATION

The Department is committed to the fulfillment of the Federal Government's special relationship with Indian nations. Key programs that underlie this commitment are Indian Self Determination and Education.

In 1995, the Department focused efforts on shifting the responsibilities from the Bureau of Indian Affairs to the Tribes to provide the Tribes with more flexibility to set and implement their own goals and directly administer Indian programs. Tribal Priority Allocations, the portion of the budget where Tribes determine funding priorities for programs, totaled \$520.8 million, or about 30 percent of the BIA's 1995 operating budget.

The Department also worked to improve the educational achievement of Indian children during 1995. Many Indian parents look to the school system as the main source of formal education to help raise their Tribe's and their own economic status. In 1995, almost one-third of the Bureau of Indian Affairs' operating budget was devoted to Indian education programs.

REINVENTING INTERIOR PROGRAMS

The Department of the Interior continues to strongly support the Administration's commitment to "create a government that works better and costs less." During 1995, the Department implemented a number of management reforms recommended by the Vice President's National Performance Review (NPR).

Endorsed a New Mission for the Bureau of Reclamation

The Bureau of Reclamation's "Blueprint for Reform" provides the framework for moving the agency from being one of the world's preeminent civil works agencies to its goal of becoming the world's preeminent water resources management agency. During 1995, Reclamation reduced funding for traditional construction projects and began reassessing the need for a Federal role in certain programs, in order to provide funds for water conservation and reuse, environmental protection and restoration, and rehabilitation of aging recreational facilities. Plans are underway to reduce the size of Reclamation's Denver staff and to move functions and personnel to regional and field offices.



Reclamation's effort and attention in administering the Department of Labor's Job Corps Program has earned it the "Best Overall Operator" award over the past five years. This photo shows Job Corps students pouring cement for the first portion of a bridge to be built as a memorial at the Marsing, Idaho Job Corps Center.

Reorganized Insular Functions

Secretarial Order 3193, signed August 8, 1995, officially reorganized the insular functions at the Department of the Interior. The changes included the elimination of the Office of Territorial and International Affairs (OTIA), the

abolishment of the OTIA Assistant Secretary and Deputy Assistant Secretary positions, and the redirection of line authority for insular affairs to the Assistant Secretary for Policy, Management and Budget. As a result of this streamlining effort, staff assigned to carry out the Secretary's responsibilities for insular affairs was reduced from 45 to 25 employees. The reorganization also reduced the number of insular field offices from five to two.

Improved Minerals Management Service Collections

During 1995, the Minerals Management Service (MMS) participated in three separate efforts to improve the royalty collection process within its Royalty Management Program. These efforts include developing a Compliance Action Plan, participating in collection improvements identified in the National Performance Review, and enhancing compliance efforts. The MMS was also selected by the Department to establish an NPR Reinvention Laboratory team to look for ways to improve many aspects of the complex royalty collection process.

**A MESSAGE FROM JOHN GARAMENDI
DEPUTY SECRETARY OF INTERIOR**



The U.S. Department of the Interior is committed to protecting and providing access to our Nation's natural and cultural heritage and honoring our trust responsibilities to Indian Tribes. These are important commitments that the Federal Government has made with the American people.

We also recognize that our mission must be carried out with less resources and that we must continually improve the performance of all operations in the Department. For these reasons, the Department has placed a high priority on reinventing Interior programs to better meet our commitments.

Our reinvention efforts build from the initiatives established by the Vice-President's National Performance Review and reflect the unique needs of the Department. We have placed a high priority on relooking at both what we do and how we do it. Endorsing a new mission for the Bureau of Reclamation, reorganizing the Insular Affairs function, improving Minerals Management Service collections, and reorganizing the Office of Surface Mining are but a few examples of our reinvention efforts that have extended throughout all bureaus of the Department.

In addition to reinventing Interior programs, we are also examining support functions to reduce administrative costs and to provide better service. We are incorporating new technologies and changing our work practices to encourage innovation in the delivery of our products and services. We are pursuing a management philosophy throughout the Department that fosters creativity, focuses on results and requires accountability at all levels.

Through this approach, the Department is providing its best possible service to our customers, clients and partners, improving its decision making process, and providing a fair taxpayer return for the use of public land and resources.

Streamlined the Minerals Management Service

The Minerals Management Service continued a comprehensive review to "rightsize" the changing nature of the Offshore Minerals Management Program. This review factors in a consolidation of functions previously carried out in five locations, elimination of some lower priority tasks, maintenance of ongoing key responsibilities, and identification of new requirements. Implementation of this long-term strategy will enhance the management of energy resources and protect the Nation's unique and sensitive environment.

Reorganized the Office of Surface Mining

On May 1, 1995, the Office of Surface Mining consolidated regional offices into new Regional Coordinating Centers in Pittsburgh, Pennsylvania (Appalachian), Denver, Colorado (Western), and Alton, Illinois (Midcontinent). In addition, headquarter units in Washington, D.C., were streamlined and combined. Two new Assistant Directorates -- one for Program Support and a second for Finance and Administration -- were created

and put in place. The elimination of six senior executive positions and the cutting of supervisors by more than half resulted in reduced review layers and cost savings. Staff cutbacks saved taxpayers almost \$31 million in 1995. With key functions and processes decentralized and re-engineered, and with a flatter, more field-oriented organization, the Office of Surface Mining has positioned itself to bring the program to a higher level of success.

Enhanced Environmental Management

The Department took action to strengthen programs for cleaning up hazardous material waste sites by creating a Central HAZMAT Fund. This fund, administered by the Bureau of Land Management, consolidated in a single account remediation funds that were previously dispersed among several bureaus. As a result of a new Departmentwide site ranking system, the HAZMAT fund ensures that resources are allocated to the highest priority sites.



Oil removal. Photo credit - Fish and Wildlife Service.

Improved USGS Information Services

During 1995, the U.S. Geological Survey completely integrated the objectives of the Information and Product Dissemination Reinvention Lab into its Branch of Information Services. The Branch of Information Services is responsible for disseminating graphic products,

digital data, imagery, and general information to more than 300,000 customers each year. Specific initiatives undertaken and achieved in 1995 include:

- Streamlined the turnaround time for processing requests from 3 to 4 weeks to 8 days.
- Barcoded all USGS graphic products, which significantly reduced the number of manual processes related to inventory control.
- Requested, tracked and monitored customer feedback for every order.
- Initiated an Inventory Management Project to assess and reduce the inventory of products. The project will reduce warehouse space by 30 percent and reduce inventory holdings by 40 percent.
- Allocated additional resources to support the network of over 2,000 commercial map dealers to develop new business agreements, provide more product information, and refer more sales to the private sector.

Initiated Administrative Savings

Under the executive order, "Deficit Control and Productivity Improvement in the Administration of the Federal Government," the Department continued efforts to lower administrative expenses through improving productivity and efficiency. During 1995, Interior bureaus identified and implemented changes needed to realize these gains, focusing on such traditional costs as travel, printing, contracting, and equipment purchase and usage. Savings from these efforts are estimated at \$47 million.

Reduced Headquarters Staffing

Significant progress has been made in reducing headquarters staff and funds, enabling bureaus to redirect funds and staff to on-ground activities. From 1993 to the planned 1997 level, headquarters staff will have been reduced by about 2,800 employees. Most of the reduction in headquarters staff is the result of planned buyouts and hiring freezes. The shift from headquarters to field has been accomplished by eliminating headquarters jobs and filling vacancies in field operations.

In 1995, the Department reduced FTE staff years to 72,012, a reduction of 4,359 from the 1994 level and 5,385 below the 1993 base level of 77,397 (see Figure 4). The 1995 reductions contributed to meeting the President's goal of reducing Federal employment by 252,000 Full-Time Equivalent by 1999.

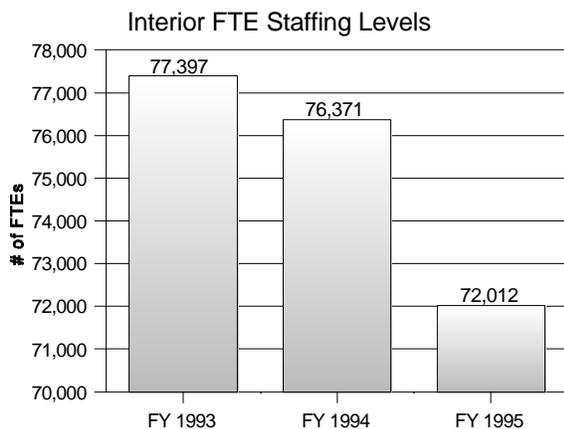


An outdoor classroom (Bombay Hook NWR). Photo credit - John and Karen Hollingsworth.

to customers in 1995. As part of this commitment, each bureau in the Department has implemented a customer service plan to address the expectations of the Government Performance and Results Act (GPRA) of 1993 and Executive Order 12862, "Setting Customer Standards." GPRA requires executive agencies to define their long-term goals, set specific annual performance targets, and report annually on performance compared to targets. Executive Order 12862 requires executive agencies to establish customer service standards to guide the operations of their programs.

Interior bureaus have published customer plans, with over 100 standards of service Departmentwide, and their first annual "Customer Satisfaction Reports." These reports provide feedback on how the Department is doing in meeting the needs of its customers, providing service, and meeting its standards. Highlights from individual bureau reports are provided in the respective bureau sections of this annual report. The reports are also available electronically on the Department's World Wide Web site at URL http://www.usgs.gov/ien/doi_cust.html.

Figure 4



CUSTOMER SERVICE

The Department of the Interior continued to accelerate its commitment to improving the quality of service provided