

Departmental Overview



"We do not inherit the Earth from our ancestors," says a familiar Native American proverb, "we borrow it from our children."

*Ken Salazar, Secretary of the Interior
January 14, 2010*

In January 2010, Secretary Salazar celebrated his one year anniversary as Secretary of the Interior by recognizing the achievements of Interior's 70,000 employees. The Secretary recognized a vast array of accomplishments of the Department in the last year, including:

- Restoring the Everglades – beginning construction of the one-mile bridge on the Tamiami Trail and breaking ground on the Picayune Strand Restoration project in the Everglades in Florida – reviving 55,000 acres of wetlands for wildlife habitat.
- Negotiating a settlement of the long-running and highly contentious *Cobell v. Salazar* class-action lawsuit – resolving trust accounting and management issues after 13 years.
- Advancing renewable energy development – establishing renewable energy coordination offices in four States and teams in six States to facilitate renewable energy production on public lands and issuing four exploratory leases for renewable wind energy production on the Outer Continental Shelf.
- Moving forward to invest \$3.0 billion available from the American Recovery and Reinvestment Act in facility renovation and energy efficiencies, habitat restoration, increasing water supplies and water conservation, and reducing human hazards.
- Restoring confidence and accountability by beginning an orderly termination of the Royalty-in-Kind program and reforming the management of onshore oil and gas resources.
- Coming to the aid of drought-stricken California with emergency aid and infrastructure investments and issuing an interim action plan for the Bay-Delta.
- Expanding opportunities for youth – employing 8,200 young adults in 2009.
- Opening the crown of the Statue of Liberty for public access – the crown had been closed to the public since 2001.
- Ending a stalemate at the Flight 93 National Memorial – completing the acquisition of land in cooperation with willing sellers and clearing the way for construction of a memorial to honor the Nation's heroes.
- Delisting the brown pelican – a case of complete recovery for a species that was first listed as endangered in 1970.

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- Increasing transparency – reversing and withdrawing flawed oil and gas leases with potential impacts to national parks in Utah, and oil shale research, development, and demonstration leases that may have shortchanged taxpayers.
 - Helping to negotiate a collaborative solution that would end decades of conflict and potentially allow for restoration of the Klamath River Basin in California and Oregon.

The Department of the Interior's lands, waters, wildlife, and cultural and historic resources are an engine of prosperity for the Nation. Energy generated from public lands powers America's homes and businesses; mineral and timber resources are building blocks for the products consumed; grazing helps supply food; and the landscapes, recreational opportunities, and cultural properties draw visitors to Interior lands and support jobs and businesses in surrounding communities.

Interior's people, programs, and information have an impact on all Americans. The Department supports over 1.3 million jobs and over \$370 billion in economic activity. Parks, refuges, and monuments generate over \$24 billion in recreation and tourism. Conventional and renewable energy produced on Interior lands and waters results in \$292 billion in economic benefits and the water managed by Interior supports over \$25 billion in agriculture.

INTERIOR'S BUDGET IN CONTEXT

Interior's 2011 budget and the Secretary's aggressive agenda are presented in context of these challenging fiscal times. The 2011 Interior budget request for current appropriations is \$12.2 billion, \$38.7 million or 0.3 percent below the level enacted by Congress for 2010. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$5.8 billion, for budget authority totaling \$18.0 billion for Interior in 2011.

Within this amount, the budget proposes investments for the Secretary's high priority goals and initiatives. In 2011, the Department will be:

- Implementing a comprehensive **New Energy Frontier** strategy that creates jobs, reduces the Nation's dependence on foreign oil, and reduces climate change impacts. The budget requests an increase of \$27.4 million for renewable and conventional energy programs.
- Confronting the realities of climate change and launching an integrated strategy for **Climate Change Adaptation**. An increase of \$35.4 million is requested to implement the Department's integrated program.
- Developing a 21st Century conservation agenda that protects **Treasured Landscapes**. The 2011 budget includes increases of \$106.0 million for Land and Water Conservation Fund programs and \$71.4 million for investments in major ecosystem restoration projects in the Chesapeake Bay, California's Bay-Delta, the Gulf Coast of Louisiana and Mississippi, and the Everglades.
- Tackling the water challenges facing the country with a new strategy to **Sustain and Manage America's Resources for Tomorrow**. The Department's WaterSMART sustainability agenda includes increases of \$36.4 million.
- Engaging America's **Youth in Natural Resources**. The budget increases funding for youth programs by \$9.3 million.
- Honoring trust responsibilities and **Empowering Tribal Nations**. The budget includes targeted increases for contract support and other tribal priorities.

**BUDGET AUTHORITY AND RECEIPTS
FOR 2009, 2010, AND 2011**
(millions of dollars)

	<u>2009 Actual</u>	<u>2010 Estimate</u>	<u>2011 Request</u>	<u>Change from 2010</u>
BUDGET AUTHORITY				
Total Current Appropriations <i>(w/o supps)</i>	11,321	12,216	12,177	-39
Fire Supplemental	+50	0	0	0
Total Current Appropriations <i>(w/ supps)</i>	11,371	12,216	12,177	-39
Permanent Appropriations	5,596	7,740	5,780	-1,960
Total <i>(w/o ARRA)</i>	16,967	19,956	17,957	-1,999
<i>[Net discretionary BA w/o ARRA]</i>	<i>[11,221]</i>	<i>[12,071]</i>	<i>[12,034]</i>	<i>[-36]</i>
RECEIPTS				
Outer Continental Shelf.....	5,293	3,535	7,229	+3,694
Onshore Mineral Leasing.....	4,013	3,390	4,041	+651
Other Offsetting Receipts.....	940	1,293	1,257	-36
Other Receipts.....	1,045	1,434	1,455	+21
Total.....	11,291	9,652	13,982	+4,330

These increases are possible within a level budget as the Department is proposing a series of terminations and reductions, management efficiencies, and is absorbing fixed costs. A total of \$750 million in terminations, reductions, and efficiencies are proposed in the 2011 budget. This includes:

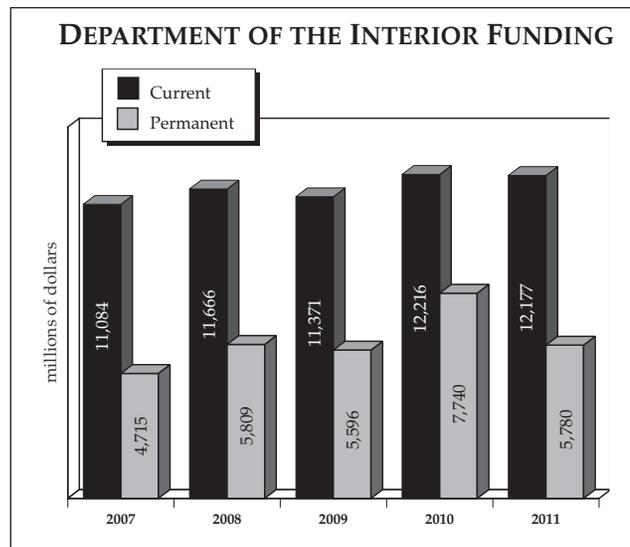
- Program reductions, terminations, and discontinuation of unrequested congressional increases of more than \$668 million.
- Department-wide and bureau specific management efficiencies of \$82.1 million.

The request does include \$4.6 million to fund anticipated 2011 fixed cost increases for Interior's smaller offices. However, fixed cost increases totaling \$108.7 million will be absorbed by Interior bureaus and offices.

The 2011 request includes \$11.1 billion for programs funded by the Interior, Environment, and Related Agencies appropriations. This is \$16.7 million, or 0.2 percent, below the level enacted for 2010. The 2011 request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$1.1 billion, \$22.0 million or 1.9 percent below the level enacted for 2010.

In 2011, Interior will continue an exemplary record of producing revenue for the U.S. Treasury. The estimate for revenue collections by the Department in 2011 is \$14.0 billion, more than offsetting the budget request for current appropriations.

The 2011 budget assumes the enactment of legislative proposals to offset costs and ensure a fair return for mineral leasing on Federal lands and waters. This includes legislative proposals to charge a fee on new non-producing oil and gas leases to encourage timely domestic energy development; make permanent the current arrangement for sharing with States the



cost of administering energy and minerals receipts from Federal leases; and end Abandoned Mine Land payments to States and Tribes that are certified as no longer having priority coal mine reclamation needs.

The budget also includes legislative proposals to reauthorize the Federal Land Transaction Facilitation Act, to reauthorize the Compact of Free Association with Palau set to expire at the end of 2010, and an increase in the cost of the Migratory Bird Hunting and Conservation Stamp.

The budget proposes appropriations language to establish or increase offsetting collections from three sources — onshore oil and gas inspections, onshore oil and gas drilling permits, and offshore oil and gas inspections.

MAJOR BUDGET INITIATIVES

We must manage our lands and oceans for these three new functions – renewable energy production, carbon capture and storage, and climate adaptation – if we are to tackle the climate crisis.

Secretary Ken Salazar
December 10, 2009

New Energy Frontier – The Department of the Interior oversees one-fifth of the Nation’s landmass and more than 1.7 billion acres of the OCS. As the steward of the Nation’s energy and mineral estate, Interior has a leadership role, promoting clean energy that can reduce climate impacts, and responsibly developing conventional energy sources, thereby reducing reliance on foreign oil.

The Secretary’s New Energy Frontier initiative will create clean sources of energy using the Nation’s vast domestic resources. The New Energy Frontier initiative invests \$73.3 million in renewable energy programs, an increase of \$14.2 million over 2010. The initiative includes \$3.0 million for the Bureau of Land Management to focus on the environmental elements of renewable energy projects, \$3.2 million for the Minerals Management Service region-specific planning needs, \$3.0 million for the U.S. Geological Survey to analyze and document the effects of renewable energy on wildlife populations, \$4.0 million for the Fish and Wildlife Service to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of projects, and \$1.0 million

SUMMARY OF MAJOR CHANGES (current budget authority in millions of dollars)	
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES	
2010 Enacted	11,086.0
New Energy Frontier	+27.4
Climate Change Adaptation.....	+31.9
WaterSMART	+9.0
Youth in Natural Resources	+9.3
Treasured Landscapes – Ecosystems	+25.8
Land and Water Conservation Fund.....	+106.0
Bureau of Land Management	
Wild Horse and Burro Program.....	+12.0
Alaska Conveyance	-13.0
Resource Management Planning.....	-8.2
Oregon and California Forest Programs	-5.0
Construction	-5.0
Office of Surface Mining Grants	-14.5
U.S. Geological Survey	
Land Remote Sensing.....	+13.4
Hazards/Biology/Marine Spatial Planning	+12.0
Fish and Wildlife Service	
Construction	-13.7
N. American Wetlands Conservation Fund	-5.0
National Park Service	
Service-wide Operations.....	+17.3
Construction	-44.6
Heritage Partnership Program.....	-8.8
Save America’s Treasures/Preserve America	-29.6
Indian Affairs	
Contract Support/Self-Determination Funds ..	+21.5
Tribal Colleges/Universities Forward-Funding	-50.0
Public Safety and Justice Agents	+19.0
Construction	-51.6
Empowering Insular Communities.....	+5.0
Office of the Special Trustee - Historical Acct.	-25.0
Wildland Fire	
Hazardous Fuels	-42.6
Rural Fire Assistance	-7.0
Preparedness	-5.0
Suppression (w/ FLAME and Contingency)	+139.2
Interior-wide Management Efficiencies.....	-62.0
Challenge Cost Share Programs.....	-18.3
Net, all other program changes.....	<u>-76.6</u>
2011 Interior Budget Request	11,069.3
ENERGY AND WATER DEVELOPMENT	
2010 Enacted	1,129.7
Bureau of Reclamation	
WaterSMART	+27.4
Central Valley Projects	+37.9
Navajo-Gallup Water Supply	+7.0
ESA Conservation Recovery.....	+5.7
Lower Colorado River Operations.....	+4.6
Rural Water Supply Projects.....	-59.3
Animas-La Plata.....	-37.1
Colorado River Basin Project - CAP.....	-8.0
Columbia Basin Project.....	-4.7
Net, all other program changes	<u>+0.1</u>
2011 Energy and Water Budget Request	1,107.7
TOTAL 2011 BUDGET REQUEST	12,177.0

for the Bureau of Indian Affairs to support renewable energy development efforts on tribal lands.

The Department has a High-Priority Performance Goal to increase approved capacity for solar, wind, and geothermal energy resources on Interior managed lands, while ensuring full environmental review, by at least 9,000 megawatts by the end of 2011. This would provide sufficient energy to power two million homes each year.

The 2011 budget continues support for the development of conventional energy, with \$460.2 million in BLM, MMS, and BIA. This is a net increase of \$13.1 million over the 2010 level. Within this requested level, there is an increase of \$4.4 million for MMS' 2007-2012 five-year program and \$10.0 million for audit costs that can no longer be funded by the Royalty-in-Kind program, which is slated for termination. The 2011 budget increases the MMS inspection fee on OCS above-water oil and gas facilities by \$10.0 million. A reduction of \$13.0 million is proposed in the net BLM oil and gas program appropriation, which is primarily offset by charging \$10.0 million in new inspection fees in the onshore oil and gas program; the remaining \$3.0 million reduction results from the completion of an energy study. The BIA budget includes an increase of \$1.5 million for conventional energy leasing activities on the Fort Berthold Reservation.

Climate Change Adaptation – Resource managers consider climate change to be the single most challenging issue they face. In order to equip them with the tools and strategies they need, Interior's Climate Change Adaptation initiative will determine the causes and formulate solutions to mitigate climate impacts to lands, waters, natural and cultural resources. As the pre-eminent manager of lands and resources, Interior will leverage its experience and expertise in partnership with other governmental and non-governmental entities. Interior's Climate Science Centers and Landscape Conservation Cooperatives will conduct and communicate research and monitoring to improve understanding and forecasting for those natural and cultural heritage resources that are most vulnerable to climate change impacts.

The Department's High-Priority Performance Goal for Climate Change Adaptation is to identify areas and species most vulnerable to climate change and begin implementing comprehensive adaptation strategies by the end of 2011.

The 2011 budget includes \$171.3 million for the Climate Change Adaptation initiative, an increase of \$35.4 million over 2010. This includes increased investments in the USGS National Climate Change and Wildlife Science Center (\$8.0 million), which will serve as the nexus for eight Climate Change Science Centers; expansion of monitoring in USGS (\$1.0 million) and FWS (\$8.0 million) that will be integrated, standardized, and accessible to Interior bureaus, partners, and the public; expansion of the USGS carbon sequestration project by \$2.0 million; expanded FWS science and planning capacity (\$8.8 million), which will support additional Landscape Conservation Cooperatives; and BLM (\$2.5 million) and FWS (\$2.0 million) adaptive management activities. Beginning with the 2011 budget, the Bureau of Reclamation and BIA identify dedicated climate change funding including \$3.5 million for Reclamation basin studies and scientific support and \$200,000 for BIA participation in a Landscape Conservation Cooperative.

WaterSMART – The 2011 budget proposes a sustainable water strategy to assist local communities in stretching water supplies and improving water management. A High-Priority Performance Goal is established to enable capacity to increase water supply for agricultural, municipal, industrial, and environmental uses in the western United States up to 350,000 acre-feet by the end of 2011 through Reclamation's programs including water reuse and recycling and WaterSMART grants.

The 2011 budget request for the WaterSMART program – Sustain and Manage America's Resources for Tomorrow includes \$72.9 million, an increase of \$36.4 million over the 2010 enacted level for sustainability programs in Reclamation and USGS. Reclamation will use \$62.0 million, an increase of \$27.4 million, to improve water management by encouraging voluntary water banks; reduce demand; implement water conservation and water reclamation and reuse projects; and take action to improve energy efficiency and reduce environmental conflicts. The USGS will use \$10.9 million, an increase of \$9.0 million, for a multi-year, nationwide water availability and use assessment.

Youth in Natural Resources – The future of resource conservation depends upon the next generation's understanding of the importance of natural resources and cultural treasures. The 2011 budget continues the Youth in Natural Resources initiative which signals the Secretary's emphasis on youth involvement.

The Department's High-Priority Performance Goal for Youth in Natural Resources is, by the end of 2011, to increase by 50 percent from the 2009 level, the employment of youth under the age of 25 in the conservation mission of the Interior Department.

The budget includes an additional \$9.3 million for programs at the parks, refuges, and other public lands. This includes \$5.8 million for youth employment and education programs the national park system and \$2.0 million for youth programs at national wildlife refuges. The budget also includes \$2.0 million for FWS and BLM to partner with the National Fish and Wildlife Foundation in public-private partnerships to promote priority species conservation on both public and private lands. A \$500,000 earmark in the FWS Migratory Bird program is eliminated. In addition, the National Park Service has committed to dedicate a total of \$6.4 million, \$2.0 million more than last year, of recreation fee revenue collected at parks to youth projects that benefit the visitor experience.

Treasured Landscapes – The 2011 budget embraces the President's agenda for protecting America's treasured landscapes and demonstrates the Secretary's sustained commitment to a 21st Century conservation agenda. The budget will allow Interior to intensify efforts to protect treasured landscapes; participate in major restoration efforts to restore, protect, and preserve key ecosystems; and operate and maintain landscapes.

Interior's 2011 budget includes \$445.4 million, an increase of \$106.0 million for Interior Land and Water Conservation Fund programs including Federal acquisition and State grants. The budget also includes \$288.2 million, an increase of \$71.4 million targeted to key ecosystems for restoration and renewal of the Everglades, California's Bay-Delta ecosystem, the Gulf Coast of Louisiana and Mississippi, and the Chesapeake Bay.

President Obama's 2011 budget protects open spaces, forests, and wildlife habitat by funding \$619.2 million in LWCF programs in the Department of the Interior and the U.S. Forest Service. This is a 29 percent increase over the 2010 enacted funding. The 2010 enacted level was a 58 percent increase over the 2009 enacted level. With these consecutive increases, appropriations from the Land and Water Conservation Fund are on track to reach the full funding level of \$900.0 million annually by 2014.

Interior, through NPS, FWS, USGS, and BIA, is a key player in restoring the Everglades ecosystem. In 2011, the budget includes \$74.5 million, an increase of \$6.0 million over the 2010 enacted level for restoration of the Everglades. This request includes \$8.0 million for the Tamiami Trail one-mile bridge, a component of the Modified Waters Delivery project that is being managed by the U.S. Army Corps of Engineers. The 2011 budget for the Corps of Engineers includes \$71 million for Everglades restoration.

The 2011 budget includes an increase of \$50.6 million for increased efforts by Reclamation, FWS, and USGS to conduct studies, projects, and other efforts in the California Bay-Delta. These activities will support the December 22, 2009 Bay-Delta Interim Action Plan, investing in short and long-term actions for sustainable water and ecosystem restoration. This request will fund habitat restoration efforts, the development of fish screens and fish ladders, efforts to eradicate or mitigate invasive species, various water quality and quantity studies and assessments, and other efforts.

The FWS owns and manages ten national wildlife refuges totaling 300,000 acres along the coast of Louisiana and Mississippi. For FWS, there is a program increase of \$5.0 million in the 2011 budget to support the restoration of key fish and wildlife habitat along the Gulf Coast and enable FWS to provide its expertise to multi-agency projects in the area. There is a \$192,000 reduction to the NPS Gulf Coast programs.

The Department's 2011 budget for USGS, FWS, and NPS includes \$31.6 million, an increase of \$10.0 million to expand the Department's efforts to conserve and restore the Chesapeake Bay's cultural and natural resources.

The Department is also active in Great Lakes restoration efforts. The 2011 Environmental Protection Agency budget request includes \$50.2 million planned for allocation to FWS, USGS, NPS, and BIA for restoration and monitoring.

Protection, promotion, and preservation of treasured landscapes include operations and maintenance of parks, refuges, and units of the National Landscape Conservation System. These units contain breathtaking vistas, relate historical and cultural events, and preserve and protect important resource values for the Nation.

The 2011 budget for the National Landscape Conservation System managed by BLM is \$65.4 million, a net increase of \$1.3 million over 2010, including an increase of \$414,000 for national monuments and national conservation areas. There is also an increase of \$1.3 million in the Wilderness Management subactivity for new wilderness areas designated by the Omnibus Public Land Management Act of 2009.

The budget includes \$2.3 billion for NPS, a net increase of \$35.3 million, or nearly two percent, above the 2010 enacted level. The budget continues \$5.0 million for the Park Partnerships program, which will match partner donations with Federal funds. The 2011 budget includes \$499.5 million, a net reduction of \$3.3 million, for Refuge System Operations. Within the refuge budget there are increases of \$8.0 million for climate science inventory and monitoring, \$2.0 million for youth programs, and \$3.3 million for ecosystems, which is offset by \$10.0 million in reductions for discontinued congressional earmarks and management efficiencies.

Empowering Tribal Nations—The Secretary's agenda includes advancing Nation-to-Nation relationships, improving Indian education for students in Bureau of Indian Education funded schools, improving the safety of Indian communities, and reforming trust land management with an ultimate goal of greater self-determination. In November 2009, the White House held a Tribal Nations Conference, which was attended by over 400 tribal leaders. At the conference, the President pledged to strengthen Nation-to-Nation relationships, improve the tribal consultation process, and empower strong and stable Indian communities.

Overall the 2011 budget request for Indian Affairs is a reduction of \$53.6 million from the 2010 enacted level, or \$3.6 million after excluding \$50.0 million in one-time 2010 funding to forward-fund tribal colleges. This change reflects \$6.0 million in anticipated efficiency savings. Maintaining key increases for law enforcement and education programs, the 2011 budget request includes programmatic increases of \$70.6 million for the Empowering Tribal Nations initiative. Specifically, the 2011 budget:

- Advances Nation-to-Nation relationships and Indian self-determination by providing additional funding of \$19.5 million for contract support costs, \$2.0 million for the Indian Self Determination

Fund, \$3.0 million to assist with the unique needs of small and needy Tribes, and \$2.0 million for social services.

- Protects Indian Country by providing \$19.0 million to increase the number of Federal Bureau of Investigations agents that are on-the-ground and dedicated to Indian Country.
- Advances Indian education with \$8.9 million to address environmental and security concerns at BIE schools and strengthen grant support funding for tribally operated BIE schools.
- Improves trust land management with increases of \$11.8 million to promote both renewable and conventional development on tribal lands, defend and assert Indian water rights, and assist Tribes with dam safety.

The Interior Department's High-Priority Performance Goal for Safe Indian Communities will achieve significant reductions in criminal offenses of at least five percent within 24 months on targeted tribal reservations by implementing a comprehensive strategy involving community policing, tactical deployment, and critical interagency and intergovernmental partnerships.

Settlement of the Cobell Lawsuit – On December 8, 2009, the parties in *Cobell v. Salazar* announced a pending settlement of the 13-year old class-action lawsuit alleging the Federal government's mismanagement of assets held in trust on behalf of individual Indians. Under the terms of the settlement, approximately \$1.4 billion would be distributed to the class members with each member receiving \$1,000 for their historical accounting claims and some receiving additional funds related to trust management claims. The second part of the settlement provides for a \$2.0 billion fund for the purchase of fractionated land interests held in trust on behalf of individual Indians. In addition, as an added inducement to facilitate the purchase of fractionated land interests, up to \$60.0 million of the \$2.0 billion for land acquisition will be contributed to an existing, non-profit organization for the benefit of educating American Indians and Alaska Natives. Final disposition of the settlement is pending congressional action, approval by the Court, and enactment.

And we are going to keep on working with you to make sure that the first Americans get the best possible chances in life in a way that's consistent with your extraordinary traditions and culture and values.

*President Barack Obama
November 5, 2009*

OTHER MAJOR CHANGES BY BUREAU

BUREAU OF LAND MANAGEMENT

The 2011 BLM request for appropriations is \$1.1 billion, an increase of \$8.0 million above the 2010 level. This includes a net decrease of \$41.0 million for BLM's two operating accounts, an increase of \$54.0 million for Land Acquisition, and a reduction of \$5.0 million for Construction.

The budget supports implementation of the Secretary's new Wild Horse and Burro initiative with an increase of \$12.0 million in operating costs and a \$42.5 million increase in land acquisition funding for BLM to purchase land for a wild horse preserve.

The budget also supports the Secretary's ongoing initiatives. The BLM budget includes \$17.5 million for the Climate Change Adaptation initiative, an increase of \$2.5 million over the 2010 enacted level. In 2011 BLM will continue and expand its efforts to conduct ecoregional assessments and develop and implement adaptation strategies. To advance the New Energy Frontier initiative, the BLM budget includes an increase of \$3.0 million to conduct additional environmental studies in support of renewable energy development. The BLM budget includes an increase of \$2.0 million for air quality monitoring to better ensure that oil and gas development on public lands complies with National Environmental Policy Act and Clean Air Act requirements. As a part of the Department's Treasured Landscapes initiative the BLM LWCF budget includes \$83.7 million for land acquisition, including the funding identified above for the purchase of land for a wild horse preserve. As a part of the Youth in Natural Resources initiative BLM will direct \$1.0 million in base funding to a public-private partnership with the National Fish and Wildlife Foundation that supports conservation projects to engage and employ youth.

WILD HORSE AND BURRO PROGRAM

The current path of the Wild Horse and Burro program is not sustainable for the animals, the environment, or the taxpayer. On October 7, 2009, Secretary Salazar announced a new comprehensive long-term plan to put the wild horse and burro program on a sustainable track. The plan identifies three strategies to improve the protection and management of wild horses:

- Managing sustainable herds on western rangelands through the aggressive application of fertility control measures.
- Establishing new wild horse preserves, primarily in the Midwest and East for horses that must be removed from western rangelands.
- Providing special designations for selected treasured herds in the West.

The 2011 BLM budget includes \$75.7 million, a program increase of \$12.0 million, for the Wild Horse and Burro Management program to implement the Secretary's plan. The BLM LWCF budget includes an increase of \$42.5 million to acquire land for a wild horse preserve. Initial costs for implementing the Secretary's proposals would be significant as BLM acquires preserves and works to achieve sustainable herd levels on public rangelands, but overall program costs could decline in future years. The plan will enable BLM to achieve appropriate management population levels on the range by 2013.

A portion of the net \$41.0 million decrease in the BLM's two operating accounts is offset by \$10.0 million in collections from a new onshore oil and gas inspection fee. The remainder is comprised of program terminations and reductions, the elimination of congressional earmarks, and anticipated efficiency savings.

Fixed cost totaling \$15.9 million are absorbed and there is an adjustment of \$6,000 related to a reduced Departmental Working Capital Fund bill.

MINERALS MANAGEMENT SERVICE

The 2011 budget request for MMS current appropriations is \$189.9 million, an increase of \$8.4 million above the 2010 enacted level. Offsetting collections from Outer Continental Shelf rents and fees will provide \$174.9 million, \$8.2 million more than was collected in 2010. The total MMS operating budget, including offsetting collections and fees, is \$364.8 million, \$16.5 million above the 2010 enacted level.

As a part of the Department's New Energy Frontier initiative, the 2011 budget requests a total increase of \$16.5 million for MMS to facilitate conventional energy development on the OCS and effective royalty compliance. The budget increase will be used to advance energy development, while ensuring continued safe operations and obtaining fair market value for the taxpayer.

Included is \$3.7 million to ensure proper royalties are collected on transported and processed natural gas and for the integration of compliance tools. An increase of \$10.0 million in appropriated funds will provide additional auditing capacity needed to offset an anticipated reduction in mandatory funding as Royalty-in-Kind operations are phased out.

The MMS will collect a total of \$20.0 million in offshore inspection fees in 2011, an increase of \$10.0 million above the 2010 enacted level.

The 2011 MMS budget includes reductions totaling \$1.1 million which reflect anticipated savings in travel and relocation costs, information technology, and strategic sourcing. Fixed costs totaling \$4.0 million are absorbed and there is an adjustment of \$16,000 related to a reduced WCF bill.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

The 2011 budget request for OSM is \$146.1, a decrease of \$16.7 million below the 2010 enacted level.

The request for Regulation and Technology is \$115.8 million, a decrease of \$11.5 million below the 2010 enacted level. The OSM request reduces funding for State and tribal regulatory grants by \$11.0 million and will encourage States and Tribes to increase cost

recovery fees from the coal industry to maintain regulatory programs.

The 2011 budget request for Abandoned Mine Reclamation Fund is \$30.4 million, a decrease of \$5.2 million below the 2010 enacted level. The request continues an effort proposed in the 2010 budget to transfer responsibility for emergency programs to the States and Tribes. Funding for emergency programs and Federal High Priority Projects is reduced by \$4.5 million.

Fixed cost totaling \$1.5 million are absorbed and there is an adjustment of \$33,000 related to a reduced WCF bill.

BUREAU OF RECLAMATION

The 2011 Reclamation budget request is \$1.1 billion in current appropriations, \$23.0 million below the 2010 enacted level. The 2011 budget request emphasizes the WaterSMART program, working to achieve a sustainable water strategy.

Reclamation's 2011 budget request targets an additional \$27.4 million for a total of \$62.0 million for the WaterSMART sustainability strategy.

Reclamation's 2011 budget includes significant increases for Central Valley projects, including increases of \$26.9 million for Red Bluff, \$7.3 million for the West San Joaquin diversion/San Luis Unit, and \$6.7 million for Trinity River.

The 2011 budget request also includes increases of \$2.1 million for the Colorado River Storage project, \$5.7 million for Endangered Species Act consultation and recovery activities, \$4.6 million for the Lower Colorado River Operations, \$7.0 million for the Navajo Gallup water supply project, and \$2.7 million for the Yakima River basin water enhancement project.

A total of \$95.2 million is requested in the 2011 budget for the Safety of Dams program, a decrease of \$2.6 million from 2010. While keeping the work at Folsom Dam in California on schedule with \$45.0 million, the decrease is in recognition of American Recovery and Reinvestment Act funding that accelerated planned dam safety project activities. In addition to the \$45.0 million, \$29.3 million will be used to initiate other safety of dams corrective actions, \$19.0 million will address safety evaluations of existing dams, and \$1.9 million supports the Interior Safety of Dams program.

The 2011 budget request for rural water supply projects is \$62.0 million, \$58.3 million below 2010 enacted. The 2011 budget for Title XVI Water Reclamation and Reuse programs is \$29.0 million, an increase of \$15.4 million above 2010 enacted. This increase is part of the WaterSMART sustainability water strategy. In addition, funding for WaterSMART grants is increased by \$9.0 million over the 2010 enacted level.

A total of \$30.3 million, an increase of \$2.5 million over 2010 enacted, is requested for site security to ensure the safety and security of the public, Reclamation employees, and key facilities. Site security measures include facility fortification, surveillance and guard activities, and improved security procedures.

The budget requests \$40.0 million for California Bay-Delta restoration, the same as 2010 enacted, pursuant to the extended authorization for this water management, ecosystem restoration, water quality, water supply, and flood protection program. This adaptive management program in California's Central Valley and the San Francisco Bay-Delta is addressing conflicts over water supply and is highlighted as a target ecosystem in the Department's Treasured Landscapes initiative.

The budget also requests \$7.5 million for Reclamation's Native American Affairs program an increase of \$1.4 million over the 2010 enacted level. The funding supports Reclamation's participation on Federal negotiation teams of Indian water rights settlements.

U.S. GEOLOGICAL SURVEY

The 2011 budget for USGS totals \$1.1 billion, \$21.6 million above the 2010 enacted level. The 2011 budget includes funding for Department-wide initiatives in renewable energy, climate change adaptation, water sustainability, and treasured landscapes.

Land Remote Sensing is funded at \$75.9 million in the 2011 budget, including an increase of \$13.4 million to accommodate new ground system requirements for the Landsat Data Continuity Mission. The Geologic Landscape and Coastal Assessments program is funded at \$77.6 million, including an increase of \$4.0 million for marine spatial planning and the geospatial modernization effort. The USGS will partner in this activity with the MMS and other agencies. Biological Research and Monitoring is funded at \$201.3 million, including an increase of \$4.0 million for science support to BLM, FWS, and NPS.

The 2011 budget includes three technical adjustments that improve management efficiencies at the USGS. The USGS establishes a Construction subactivity within the Facilities activity by moving \$2.5 million from the Deferred Maintenance and Capital Improvements subactivity for improvements in building envelope integrity. The USGS also moves \$8.5 million and 51 FTE from Geography, Geology, Water Resources, Biology, and Global Change activities to the Science Support activity to realign funds to better fit the realignment model of October 1, 2007 in which the regional executive staffs shifted from a single disciplinary focus in each region to a multidisciplinary focus in a geographic area. Finally, USGS moves \$284,000 and five FTE from Geography to Science Support for contract support provided to the Earth Resources and Observation Center.

The budget includes \$51.8 million in program increases, offset by \$18.6 million in program reductions including elimination of earmarks and \$11.6 million in management efficiencies. Fixed cost totaling \$13.5 million are absorbed and there is an adjustment of \$73,000 related to a reduced WCF bill.

FISH AND WILDLIFE SERVICE

The 2011 FWS budget request is \$1.6 billion, a decrease of \$4.6 million from the 2010 enacted level.

The request for Resource Management is \$1.3 billion, a decrease of \$3.0 million from the 2010 enacted level. Within the Resource Management account, program increases for the Secretary's initiatives include \$18.8 million for Climate Change Adaptation, \$4.0 million for New Energy Frontier, and \$2.5 million for Youth in Natural Resources.

The 2011 budget eliminates \$58.2 million in unrequested add-ons and earmarks and includes a reduction of \$12.0 million in anticipation of Interior-wide management savings in travel and relocation, information technology, and strategic sourcing as well as bureau specific management efficiencies.

The request for land acquisition is \$106.3 million, an increase of \$20.0 million over the 2010 enacted level. The request for construction is \$23.7 million, \$13.7 million below the level enacted in 2010. The request maintains the Cooperative Endangered Species Conservation Fund at \$85.0 million and the State and Tribal Wildlife Grants at \$90.0 million, level with 2010 enacted.

Fixed cost totaling \$14.6 million are absorbed and there is an adjustment of \$80,000 related to a reduced WCF bill.

NATIONAL PARK SERVICE

The NPS 2011 budget request is \$2.7 billion, \$21.7 million below 2010 enacted but \$200.5 million above the 2009 level.

The 2011 request includes \$195.2 million for construction projects, equipment replacement, management planning, and other special projects. This funding, together with recreation fee revenue, park roads funding, and maintenance funding, will provide substantial resources toward protecting and maintaining existing park assets. The NPS construction program is \$37.8 million below the 2010 level, primarily due to reductions in line-item construction projects. Line-item construction projects are funded at \$109.0 million, including \$8.0 million for the Everglades Modified Water Deliveries project. The budget also provides additional funding to study areas that are candidates for inclusion in the national park system.

The National Recreation and Preservation appropriation funds programs connected with local community efforts to preserve natural and cultural resources. The 2011 budget includes \$51.0 million for programs to preserve natural and cultural resources. The budget proposes \$9.0 million for national heritage area grants, a reduction of \$8.8 million from 2010. Funding is not requested for Statutory and Contractual Aid or Preserve America grants.

The 2011 budget for the Historic Preservation Fund is \$54.5 million which funds Historic Preservation Offices in States, Territories, and tribal Nations to preserve historically and culturally significant sites. The budget maintains 2010 funding which was \$5.0 million over the 2009 enacted level. Funding is not requested for Save America's Treasures grants.

Across all accounts, the budget includes anticipated efficiency savings of \$527,000 from travel and relocation expenses, \$5.9 million from information technology, and \$8.7 million from strategic sourcing. Fixed cost totaling \$32.1 million are absorbed and there is an adjustment of \$46,000 for an increased WCF bill.

INDIAN AFFAIRS

The 2011 budget request for Indian Affairs is \$2.6 billion in current appropriations, which is \$53.6 million or 2.0 percent below the enacted 2010 level, or level with last year after excluding the forward funding of Tribal Colleges and Universities in 2010 and Department-wide efficiency reductions. As part of this request, \$2.4 billion is for the Operations of Indian Programs, \$115.7 million for Construction, \$46.5 million for Indian Land and Water Settlements, \$8.2 million for the Indian Guaranteed Loan Program, and \$1.0 million for the Indian Land Consolidation Program.

Within the OIP account, program increases for the Tribal Government and Human Services activities include \$21.5 million in contract support and self-determination funds, \$1.0 million to create new Self-Determination Specialist positions, \$3.0 million to support small and needy Tribes, and \$2.0 million for additional social workers. These activities also include a program reduction of \$98,000 for the elimination of one conference.

The Trust-Natural Resource Management, Trust-Real Estate Services, and Community and Economic Development activities include program increases of \$1.5 million for water related programs, \$1.9 million for land management and development on the Navajo and Nez Perce Reservations, \$200,000 for Climate Change activities, \$2.5 million for energy projects, and \$2.0 million for environmental audits at BIE schools. The budget also includes program reductions in Trust-Real Estate Services of \$7.5 million for probate since the backlog has been eliminated and \$200,000 for oversight activities.

The Indian Education budget includes program increases of \$3.9 million to implement safety and security programs at BIE-funded schools and \$3.0 million for Tribal Grant Support Costs. Program decreases in the BIE budget include a \$50.0 million reduction to eliminate a one-time increase in 2010 to forward-fund Tribal Colleges and Universities and \$1.1 million for Education Program Management.

Other program increases in the OIP budget request include \$19.0 million in Public Safety and Justice for funding to support additional FBI agents at the Department of Justice and \$1.0 million for detention center operations and maintenance. An additional \$500,000 is included to aid Tribes with the development of a performance data management

system. Additional program funding is included for acquisitions and property management, which is funded with savings gained from competitive sourcing and printing cost reductions.

The 2011 budget requests \$115.7 million for Construction, a program reduction of \$51.6 million from the 2010 enacted level. The budget also reflects a proposed transfer of \$57.3 million in facilities operations and maintenance funding from the Construction account to the OIP account. The \$57.3 million transfer will increase transparency of the operations and maintenance funding by consolidating all funds in the operations account. Included in the budget are decreases of \$8.9 million for education replacement facilities, \$41.5 million for new construction of detention center facilities, and \$5.0 million for public safety employee housing. An increase of \$3.8 million for the Safety of Dams program is also included.

The 2011 budget requests \$46.5 million for Indian Land and Water Claim Settlements and \$8.2 million for the Indian Guaranteed Loan Program. The budget also includes \$1.0 million for the Indian Land Consolidation Program, a reduction of \$2.0 million from 2010, to maintain this program and to assist in estate planning.

Across all accounts, the budget includes anticipated efficiency savings of \$271,000 from travel and relocation expenses, \$2.3 million from information technology, and \$2.7 million from strategic sourcing. Fixed costs totaling \$19.4 million are absorbed and there is an adjustment of \$210,000 for an increased WCF bill.

OFFICE OF THE SPECIAL TRUSTEE

The 2011 OST budget requests \$160.2 million in current appropriations, which is \$25.8 million below the 2010 enacted level. The 2011 OST budget includes decreases of \$25.0 million for historical accounting and \$2.6 million for the completion of certain trust reform tasks. The budget also includes increases of \$740,000 for trust services and \$72,000 for Electronic Official Personnel Folders. Fixed cost increases total \$1.5 million, of which \$1.4 million are funded and \$125,000 are absorbed.

OFFICE OF THE SECRETARY

The Salaries and Expenses 2011 budget request is \$122.0 million, an increase of \$3.2 million above the 2010 enacted level. Increases include \$2.0 million

for appraisal services for land acquisition support, \$250,000 for Program Evaluations, and \$225,000 to fund the Assistant Secretary for Insular Areas. Fixed cost increases total \$1.1 million, of which \$1.0 million are budgeted, and \$126,000 are absorbed.

OFFICE OF INSULAR AFFAIRS

The 2011 budget for the Office of Insular Affairs requests \$87.0 million in current funding, \$15.5 million below the 2010 enacted level and including reductions of \$1.5 million in Assistance to Territories and \$14.0 million in the Compact of Free Association current funds. In place of current appropriations for the Compact of Free Association, the budget includes a mandatory proposal to fund a new compact with Palau. The 2011 budget presumes agreement on and enactment of a new compact with Palau. The compact expired in 2009, but was extended for one year in the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010.

The 2011 OIA budget includes an increase of \$5.0 million for the Empowering Insular Communities program that will strengthen the foundations for economic development in the islands and pursue economic development initiatives. Fixed cost increases total \$129,000, of which \$96,000 are funded and \$33,000 are absorbed.

The Department of Defense is planning to move some 17,000 military personnel and their dependents from Okinawa, Japan, to Guam that will generate an influx of approximately 20,000 civilian workers and residents to take advantage of new jobs opening on Guam. As plans for the realignment are settled, Interior will work with the Departments of Agriculture and Defense to promote the development of high priority infrastructure projects related to the military realignment.

Permanent appropriations in 2011 total \$370.8 million, which includes \$224.8 million to the Compact of Free Association and \$146.0 million in payments to Guam and the U.S. Virgin Islands.

OFFICE OF THE SOLICITOR

The 2011 budget for the Office of the Solicitor is \$67.9 million, \$2.8 million above the 2010 enacted level. The budget includes program increases of \$1.4 million to restructure the Ethics Office and expand capacity; \$400,000 to reestablish the Solicitor's Honors Program; \$250,000 for retention of high performing attorneys; Department-wide management efficiency

reductions of \$231,000 related to travel, information technology, and strategic sourcing savings; and \$1.0 million for fixed costs.

OFFICE OF INSPECTOR GENERAL

The 2011 budget for the Office of Inspector General is \$49.6 million, \$970,000 above the 2010 enacted level. The budget includes a program increase of \$394,000 for the Councils on Inspector General; Department-wide reductions of \$201,000 for management savings related to travel, information technology, and strategic sourcing; and fixed costs of \$777,000.

DEPARTMENT-WIDE PROGRAMS

Wildland Fire Management – The 2011 budget request includes a total of \$933.9 million to meet the wildland fire management needs of the Department of the Interior, an increase of \$78.0 million over the 2010 enacted level, which did not fully fund the ten-year suppression average.

The request includes a total of \$459.0 million for Suppression Operations, which is allocated among three different accounts. The inflation adjusted ten-year average of suppression expenditures of \$384.0 million is split between \$288.0 million in the regular suppression account in the Wildland Fire Management appropriation and \$96.0 million in the FLAME Wildfire Suppression Reserve Fund. To ensure that sufficient suppression funds are available for suppression activities, the budget request includes \$75.0 million for the Presidential Wildland Fire Contingency Reserve, as was first proposed in the 2010 President's budget.

The budget proposes to reduce funding for Hazardous Fuels Reduction by \$42.6 million; discontinue the \$7.0 million in funding for the Rural Fire Assistance program; reduce funding for Preparedness by \$5.0 million; and reduce funding for Burned Area Rehabilitation by \$2.0 million. In addition to these specific program funding reductions, the wildland fire budget includes \$4.5 million in Department-wide management savings related to travel, information technology, and strategic sourcing. A total of \$7.4 million in fixed costs is absorbed.

Central Hazardous Materials Fund – The 2011 budget request includes \$10.2 million for the Central Hazardous Materials Fund, a decrease of \$23,000 below the 2010 enacted level. The request fully funds fixed costs of \$85,000.

Natural Resource Damage and Restoration – The 2011 budget includes \$6.4 million for NRDAR, \$28,000 below the 2010 enacted level. The \$6.4 million request includes \$3.9 million for damage assessment projects; \$1.9 million for program management; \$621,000 for restoration support; \$91,000 for fixed costs; and Department-wide reductions of \$119,000 for management savings related to travel, information technology, and strategic sourcing. Additionally, \$52.0 million represents the anticipated amount of settlement receipts to be recovered in settled damage assessment cases in 2010. These receipts are used exclusively by trustees for restoration of damaged lands and resources or for reimbursement of past assessment costs.

Working Capital Fund – The 2011 budget request includes \$84.1 million for the Working Capital Fund, \$1.7 million below the 2010 enacted level. This includes \$74.1 million for the continued development and deployment of the Financial and Business Management System, a decrease of \$6.3 million from the 2010 enacted level. The 2011 funding will help support the bureaus' efforts in preparing for deployment and transition to the new system.

To help the Department to achieve the \$50.0 million in efficiency savings identified in the 2011 budget for information technology and acquisition. The budget provides \$10.0 million in the Working Capital Fund including \$5.0 million for investments that will lead to the consolidation and centralization of infrastructure across the Department's information technology portfolio. An additional \$5.0 million is included in the WCF for acquisition improvements to support the creation of centers of acquisition excellence and the necessary training and oversight to achieve acquisition goals and savings.

MANDATORY PROPOSALS

Legislative proposals will be submitted to the Congress in support of the assumptions in the 2011 budget. The principal proposals include:

Abandoned Mine Land Payments to Certified States and Tribes – The Administration proposes to end mandatory payments from the General Treasury to States and Tribes that have been certified as completing reclamation of abandoned coal mine sites and, consequently, no longer need funds for that purpose. These payments to certified States and Tribes currently can be used for any purpose approved by the State legislatures or tribal councils

and do not contribute to reclamation of abandoned coal mines. This proposal would not affect payments to States that have active reclamation programs, but would require non-certified States to focus their AML funding on only priority coal mine reclamation needs. This is similar to the 2010 budget proposal, except this new proposal reserves \$10.0 million annually to address the highest priority coal projects, including Federal high-priority coal issues that develop or are discovered in certified States and Tribes. Savings of \$115.0 million are anticipated in 2011 with savings of \$1.2 billion over ten years.

Fee on Nonproducing Oil and Gas Leases – The budget assumes a proposal that is part of an Administration initiative to encourage energy development on lands and waters leased for development. A \$4.00 per acre fee on non-producing Federal leases on lands and waters would provide a financial incentive for oil and gas companies to either get their leases into production or relinquish them so that the tracts can be re-leased to and developed by new parties. The proposed \$4.00 per acre fee would apply to all new leases and would be indexed annually. In October 2008, the Government Accountability Office issued a report critical of past efforts by Interior to ensure that companies diligently develop their Federal leases. Although the GAO report focused on administrative actions that the Department could undertake, this proposal requires legislative action. This proposal is similar to other non-producing fee proposals considered by the Congress in the last several years. This will result in savings of \$8.0 million in 2011 and \$760.0 million over ten years.

Net Receipts Sharing for Energy Minerals – The budget proposes to make permanent the current arrangement for sharing the cost of administering energy and minerals receipts, beginning in 2012. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated. In 2011, this net receipts sharing change would be implemented as an offset to the Interior Appropriations Act, consistent with the proposal adopted in 2010. Permanent implementation of net receipts sharing is expected to result in savings of \$45.0 million in 2012 and \$450.0 million over nine years.

Repeal Oil and Gas Fee Prohibition and Mandatory Permit Funds – The Administration will submit legislation to repeal portions of Section 365 of the

Energy Policy Act, beginning in 2012. Section 365 diverted mineral leasing receipts from the Treasury to a BLM Permit Processing Improvement Fund and also prohibited BLM from establishing cost recovery fees for processing applications for oil and gas permits to drill. Congress has effectively overridden the fee prohibition and implemented permit fees through appropriations language for the last several years. The budget proposes to continue the permit fees through appropriations language in 2011. Upon elimination of the fee prohibition, BLM will promulgate regulations to establish fees for applications for permits to drill administratively, starting in 2012. In combination with normal discretionary appropriations, these fees will then replace the mandatory permit funds, which would also be repealed starting in 2012. Savings from terminating this mandatory funding are estimated at \$20.0 million in 2012 and \$84.0 million over five years.

Geothermal Energy Receipts – The Administration will submit legislation to repeal Section 224(b) of the Energy Policy Act of 2005. Prior to passage of this legislation, geothermal lease payments were split 50-50 between the Federal government and States, with 50 percent directed to States, 40 percent to the Reclamation Fund, and ten percent to the General Fund. The Energy Policy Act changed this distribution beginning in 2006 to direct 50 percent to States, 25 percent to counties, and 25 percent to the Geothermal Steam Act Implementation Fund. Authorization for the Geothermal Steam Act Implementation Fund expires in 2010, and Congress, through the 2010 Interior Appropriations Act, has already repealed the last year of funding for this program as well as the 2010 payments to counties. The repeal of Section 224(b) will permanently discontinue payments to counties and restore the disposition of the geothermal revenue to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in savings of \$8.0 million in 2011 and \$80.0 million over ten years.

Deep Gas and Deepwater Incentives – The budget proposes to repeal Section 344 of the Energy Policy Act of 2005. Section 344 extended existing deep gas incentives. This change will help ensure that Americans receive fair value for Federally-owned mineral resources. Based on current oil and gas price projections, the budget does not assume savings from these changes; however, the proposal could generate savings to the Treasury if future oil or gas prices end up being lower than currently projected.

Federal Land Transaction Facilitation Act – The Administration proposes to reauthorize FLTFA, eliminating the 2010 sunset date and allowing lands identified as suitable for disposal in recent land use plans to be sold using the FLTFA authority. The FLTFA sales revenues would continue to be used to fund the acquisition of environmentally sensitive lands and the administrative costs associated with conducting sales.

Federal Migratory Bird Hunting and Conservation Stamps – Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the Federal license required for hunting migratory waterfowl. Today, ninety-eight percent of the receipts generated from the sale of these stamps at \$15.00 per stamp per year are used to acquire important migratory bird breeding areas, migration resting places, and wintering areas. The price of the Duck Stamp has not increased since 1991; however, the cost of land and water has increased significantly. The Administration proposes to increase these fees to \$25.00 per stamp per year, beginning in 2011. Increasing the cost of Duck Stamps will bring the estimate for the Migratory Bird Conservation Account to \$58.0 million. With the additional receipts, the Department anticipates acquisition of approximately 7,000 additional acres in fee and approximately 10,000 additional conservation easement acres in 2011. Total acres acquired for 2011 would then be approximately 28,000 acres in fee title and 47,000 acres in perpetual conservation easements. WORD

Compact of Free Association – The Office of Insular Affairs is currently engaged with the State Department, the Defense Department, and other agencies in a review of the Compact of Free Association with the Republic of Palau. Permanent and indefinite funding for the compact expires at the end of 2010. The 2011 budget seeks to authorize permanent funding for the Compact as it strengthens the foundations for economic development by

developing public infrastructure, and improving health care and education. It would also improve Palau's financial policies and procedures, upgrade the automated financial management system, and train staff. The Republic of Palau has a strong track record of supporting the U.S. and its location is strategically linked to Guam and U.S. operations in Kwajalein Atoll. The cost for this proposal for 2011-2020 is \$179.0 million.

OFFSETTING COLLECTIONS AND FEES

New Fee for Onshore Oil and Gas Inspections – Through appropriations language, the Administration proposes to implement an inspection fee in 2011 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated \$10.0 million in 2011, offsetting about 25 percent of the cost of onshore inspections. The fee would support Federal efforts to provide services that ensure production accountability, human safety, environmental protection and the conservation of energy.

Onshore Oil and Gas Drilling Permit Fee – The 2011 budget proposes to continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the 2009 and 2010 Appropriations Acts. A fee of \$6,500 per drilling permit was established in 2010, and if continued, would generate an estimated \$45.5 million in offsetting collections.

Fee Increase for Offshore Oil and Gas Inspections – Through appropriations language, the Administration proposes to increase the inspection fees in 2011 for offshore oil and gas drilling activities that are subject to inspection by MMS. The increased fees are expected to generate an estimated \$20.0 million in 2011, offsetting about half of the cost of inspections. These inspections ensure production accountability, human safety, environmental protection, and the conservation of energy.

DEPARTMENT OF THE INTERIOR FACTS

Land – Interior manages more than 500 million acres or about 20 percent of the land area of the United States and 700 million acres of subsurface minerals. The Interior Department is also responsible for 53 million acres of submerged land in four Pacific marine national monuments. The Department has jurisdiction over an additional 1.7 billion acres of the Outer Continental Shelf.

Parks, Refuges, Public Lands – Interior manages 392 units of the national park system, 551 national wildlife refuges, 70 fish hatcheries, as well as 21 national conservation areas and similarly designated areas, and 16 national monuments in BLM's National Landscape Conservation System.

People – Interior has about 70,000 employees located in approximately 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States.

Volunteers – Interior benefits from approximately 242,000 volunteers who provide over 8.6 million hours of service, valued at over \$165 million per year.

Conservation – About 249,000 acres of high-priority abandoned coal mine sites have been reclaimed through the OSM's Abandoned Mine Lands program. The FWS acts to protect 1,900 endangered and threatened species; over 1,300 are in the United States.

Revenues – Revenues collected over the last eight years vary from \$26.0 billion to \$9.0 billion, including revenues from energy, minerals, grazing, timber, land sales, and other revenue producing activities. Interior's estimated revenue projections in 2011 are \$14.0 billion.

Water – The Department is the largest supplier and manager of water in the 17 western States. Reclamation manages 476 dams and 348 reservoirs that deliver irrigation water to 31 million people and one out of every five western farmers irrigating 10 million acres of farmland.

Energy – Interior manages lands, subsurface rights, and offshore areas that produce approximately 30 percent of the Nation's energy, including 22 percent of natural gas, 30 percent of oil, 42 percent of coal, 17 percent of hydropower, two percent of wind, and 50 percent of geothermal.

Visitation – Annually, more than 57.4 million visits are made to BLM public lands, over 286 million visits to national park units, 42.5 million visits to national wildlife refuges, two million visits to fish hatcheries, and 90 million visits to Reclamation recreation sites.

American Indians – Interior maintains relationships with 564 federally recognized Tribes in the lower 48 States and Alaska, and provides support to a service population of more than 1.7 million people. The BIE provides education services to approximately 42,000 students in 23 States attending 183 elementary and secondary schools and dormitories and supports 30 tribally controlled community colleges, universities, and post-secondary schools. There are 85 BIA funded correction centers and 191 BIA funded law enforcement programs.

American Indian Trust – The Department has responsibility for the Indian trust, which encompasses approximately 55 million surface acres and 57 million acres of subsurface mineral estates. On these lands, Interior manages over 100,000 leases for uses such as farming, grazing, and oil and gas production on behalf of individual Indians and Tribes. The Office of the Special Trustee manages over \$3.6 billion of funds held in over 2,700 trust accounts for more than 250 Indian Tribes, and over 380,000 open Individual Indian Monies accounts.

Science – Interior provides unbiased, multi-discipline science. Data is available to the public from over 7,600 streamgages and 900 earthquake sensors. Over one million satellite scenes have been downloaded from the Landsat archives since being made available at no cost. Over 61,000 publications dating back to 1882 are available through the publishing warehouse.